Colorado Springs, CO Analysis of Impediments to Fair Housing Choice

September 2012











ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

Colorado Springs, Colorado

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Colorado Springs, Colorado



1. Executive Summary

A. Introduction

The City of Colorado Springs has prepared an Analysis of Impediments to Fair Housing Choice (AI) to satisfy the requirements of the Housing and Community Development Act of 1974, as amended. This act requires that any community receiving Community Development Block Grant (CDBG) funds affirmatively further fair housing. As a result, the City of Colorado Springs is charged with the responsibility of conducting its CDBG programs in compliance with the federal Fair Housing Act. Additionally, the City of Colorado Springs receives Home Investment Partnerships (HOME) program funds from HUD to which the City's obligation to affirmatively further fair housing is also extended. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities which receive federal funds through the City of Colorado Springs.

Entitlement communities receiving CDBG and HOME entitlement funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction,
- Promote fair housing choice for all persons,
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status, or national origin,
- Promote housing that is accessible to and usable by persons with disabilities, and
- Comply with the non-discrimination requirements of the Fair Housing Act.

These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice.

The AI is a review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice.

B. Lead Agency

The Housing Development Division (HDD) of the City of Colorado Springs was responsible for the preparation and implementation of the Al. Staff from HDD identified and invited numerous stakeholders to participate in the process for the purpose of developing a thorough analysis with a practical set of recommendations to eliminate impediments to fair housing choice, where identified.

C. Agency Consultation

HDD engaged in an extensive consultation process with local public agencies, nonprofit organizations, and other interested entities in an effort to develop a community planning process for the Al. A series of written questionnaires were mailed to many of the interviewees and lists of issues were developed for the focus group sessions and interviews.

In early March 2012, the consulting team conducted a series of focus group sessions and individual interviews to identify current fair housing issues impacting the various agencies and organizations. Comments received through these meetings and interviews are incorporated throughout the AI, where appropriate.

A list of the stakeholders identified and invited to the focus group sessions and interviews is included in Appendix A.





D. Demographic Observations

The following general fair housing observations were noted throughout the AI, particularly throughout the demographic and housing market analyses:

- Colorado Springs has more than tripled in population since 1970, growing from 135,060 to 416,427 residents.
 - This rate exceeded the County and State rates during the same period. Growth has slowed in the City during the last decade, but was still significant at a rate of 15.4%.
- Among all minority groups in the City, the multi-race and Hispanic populations experienced the largest growth between 2000 and 2010, increasing 122.2% and 71%, respectively, during this period.
 - Hispanics represent the largest minority group in the City, accounting for over 16% of the total population.
- There are 22 areas of concentration of minority persons in the City of Colorado Springs, the majority of which are located in the southern portion of the City.
 Areas of concentration of minority persons include 12 census tracts of Black concentration, nine tracts of Hispanic concentration, three of AIAN concentration, and nine of Asian concentration. In addition, census tracts 28, 53, 54, 63.02, and 65.01 are areas of concentration of multiple minorities.
- There is evidence that Colorado Springs is becoming more integrated as its population increases and diversifies.
 - Despite a modest growth rate in the Black population over the past decade, the White/Black dissimilarity index decreased from 41.0 to 35.4. Persons of Other Races also became more integrated throughout the community, experiencing a decrease in the index from 51.4 to 40.2. Hispanics, the fastest growing population segment, decreased from 30.3 to 28.8. All other minority groups had comparable rates for 2000 and 2010.
- Black and Hispanic households in Colorado Springs are more likely to live in poverty than White households and other minority households.
 - In the City, Black households are almost twice as likely to live in the lowest income (18.3%) bracket as Whites (9.7%). Hispanics experience an even greater rate of poverty at 25.4%.
- Black and Hispanic households were more likely than Whites and Asians to have annual incomes of less than \$25,000.
 - Thirty-one percent of Black households and almost 33% of Hispanic households earned less than \$25,000 annually. By comparison, 20.1% of White households and 24.7% of Asian households fell into this lower income bracket.
- There are 18 impacted areas in Colorado Springs which include concentrations of both LMI persons and minorities.
 - In Colorado Springs, 18 of the 22 census tracts identified as concentrations of minority persons were also areas of concentration of LMI residents. These impacted areas are located in the south-central portion of the City, south of State Highway 24.
- Colorado Springs residents with disabilities were more likely to live in poverty than persons without disabilities in 2010.
 - In Colorado Springs, 20.6% of disabled individuals were living in poverty compared to the overall City rate of 11.8% of those living in poverty without a disability.
- More than a quarter of female-headed households with children live below the poverty level in Colorado Springs.





Over 80% of female-headed households live in poverty. Female-headed households comprise 14.2% of all families living in poverty yet represent only 7.5% of all families.

- Families with at least one foreign-born parent were more likely to live in poverty than families with only native born parents.
 - In 2010, 57.4% of families with at least one foreign-born parent were earning less than 200% of the poverty rate, compared to 34.5% of families with only native born parents.
- With the exception of Asian residents, minorities were more likely to be unemployed than White residents in Colorado Springs.
 - The unemployment rates among all minorities, except Asian residents, exceeded 10% in 2010 while the rate among White residents was 7.0%. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.
- The housing inventory in Colorado Springs increased 42.7% between 1990 and 2010.

 A large portion of the City's housing inventory was built over the last two decades, as 53,749 housing units were added to the housing inventory in Colorado Springs between 1990 and 2010.
- El Paso County continues to experience one of the higher foreclosure rates when compared to other counties throughout Colorado, a state known for its generally high foreclosure rates.
 - According to Realtytrac.com, one in every 638 housing units in Colorado Springs was in foreclosure in February 2012, which was comparable to the State rate of one in every 605 housing units. There were 419 total foreclosure filings in El Paso County, of which more than three-quarters, 336 or 80.2%, were located in Colorado Springs.
- Between 2000 and 2010, median housing value in Colorado Springs increased 14.5% while real household income declined 11.3%.
 - During the same period, median gross rent decreased 5.4%. These trends indicate that housing costs associated with purchasing a home have become relatively more expensive. In contrast, it has become more affordable to rent in Colorado Springs.
- El Paso County renters earning the average hourly wage of \$12.54 must work 46 hours per week, 52 weeks per year to make the two-bedroom FMR affordable.
 - Thus, minimum wage earners and single-wage earning households cannot afford a housing unit renting for the HUD fair market rent in the County. This situation forces these individuals and households to double-up with others, or lease inexpensive, substandard units. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.
- Individuals whose sole source of income is a \$698 monthly SSI check cannot afford to rent a zero-bedroom unit in El Paso County at the HUD fair market rent of \$534.
 - This situation disproportionately impacts persons with disabilities whose only source of income are their SSI checks.
- While the median sales price has fallen almost 13% since peaking in 2007, Black, AIAN, and Hispanic households cannot afford a home selling at the median sales price of \$179,900.
 - In reality, a household income of \$49,701 is required to purchase the median priced home. Black households and AIAN households with median incomes equivalent to approximately 81.4% and 80.6%, respectively, of the income needed to purchase a home, are impeded from homeownership. In addition, Hispanic households earn only 73% of the income needed to purchase a home at the median sales price of \$179,900.





E. Potential Impediments to Fair Housing Choice – Public Sector

 Minority households in Colorado Springs, particularly Blacks and Hispanics, were less likely to be homeowners.

Proposed Action I: Strengthen partnerships with area lenders that will offer homebuyer education and incentives to purchase homes throughout the City.

Proposed Action II: Identify effective ways for the City, fair housing advocates, certified housing counselors, and financial lenders to increase home ownership among minorities, residents of LMI census tracts, and LMI residents. Such methods include:

- Increasing sustainable home ownership opportunities through financial literacy education including credit counseling and pre- and post-home purchase education.
- Increasing lending, credit, and banking services in LMI census tracts and minority census tracts.
- Increasing marketing and outreach efforts of affordable mortgage products that are targeted for residents of LMI census tracts, LMI residents, and minorities.

Proposed Action III: As a means to provide economic opportunities to low- and very-low income persons, the City should finalize, adopt, and implement its draft Section 3 Compliance Plan.

 The City's existing supply of both affordable and accessible housing is inadequate and does not meet current demand levels.

Proposed Action I: HDD should continue to strike a balance in investing in both impacted and non-impacted areas. Specifically, the City should continue to balance its CDBG and HOME investments between the revitalization of impacted areas and the creation of new housing in non-impacted areas.

Proposed Action II: In accordance with HUD's HOME program regulations found at 24 CFR 92.202, the City should prepare a written policy that encompasses the requirements at 24 CFR 983.6.

Proposed Action III: The City should encourage the Colorado Springs Housing Authority (CSHA) to continue to implement its 2011 Section 504 Needs Assessment and Transition Plan in order to achieve compliance with accessibility regulations by 2015.

Proposed Action IV: HDD should require that all HOME-assisted units meet the Uniform Federal Accessibility Standards (UFAS).

• HDD's process for allocating and reporting CDBG and HOME funds could be improved from a fair housing perspective.

Proposed Action I: Initiate a Fair Housing Log to record activities undertaken throughout the year to affirmatively further fair housing. This action will achieve the City's regulatory obligation to maintain records reflecting the actions taken to eliminate housing discrimination and affirmatively further fair housing choice.

Proposed Action II: HDD should formalize a written policy that includes objective evaluation criteria for selecting affordable housing projects to be funded with CDBG and/or HOME funds.

Proposed Action III: HDD should develop a stand-alone affirmative marketing policy to ensure that CDBG- and HOME-assisted projects with five or more units comply with applicable affirmative marketing regulations.





Proposed Action IV: The City should allocate 1% to 3% of its yearly CDBG entitlement grant to pure fair housing activities, such as education, outreach, training, and enforcement.

Proposed Action V: HDD should formally designate the position of Housing Analyst as the Fair Housing Officer for the City.

• The majority of fair housing complaints filed with CCRD involved disability as the primary basis for alleged housing discrimination.

Proposed Action I: HDD should partner with CCRD and the City's newly formed Human Relations Commission to offer annual fair housing training seminars to area landlords and property management companies.

Proposed Action II: HDD should seek additional training opportunities with the National Fair Housing Alliance once it relocates to Colorado Springs.

Proposed Action III: HDD should contract with a qualified fair housing organization to conduct real estate testing at least bi-annually. Test for race, disability, and familial status, particularly among minority households.

• Members of the protected classes could be more fully represented on local boards and commissions dealing with housing issues.

Proposed Action: Similar to the demographic survey completed in 2008, the City should conduct a survey of each of the appointed citizens who are currently members of public boards to identify members of the protected classes. The survey should identify the race, gender, ethnicity, disability status, and familial status of every board and commission member. Thereafter, each new appointment should be surveyed in a similar manner. Records on the membership of boards and commissions will assist local officials in making appointments that reflect the City's growing diversity.

• It is unclear whether the City adequately meets the language needs of persons with LEP, especially given its growing population in recent years.

Proposed Action: The City should conduct the four-factor analysis to determine the extent to which an LAP may be needed.

The City zoning ordinance could be improved from a fair housing perspective.

Proposed Action I: The City should amend its zoning ordinance to remove restrictions on the location of human service shelters, specifically drug and alcohol treatment facilities, in order to comply with the Fair Housing Act. Such facilities should be regulated in the same manner as human service establishments for persons with physical, developmental, and mental disabilities.

Proposed Action II: The City should amend its zoning ordinance as it relates to the distancing requirements placed on human service establishments to specify what types of establishments the requirement does and does not apply to as well as to elaborate on the overall intent and purpose of the requirement.

• Transit-dependent households are in need of additional public transit services to provide better linkages to employment centers and amenities.

Proposed Action I: To the extent possible, the City should continue to provide an annual contribution of \$3 million to Mountain Metropolitan Transit (Mountain Metro) in order to provide necessary public transit services to City residents.





Proposed Action II: Officials from the City, area housing developers, and Mountain Metro should work together to identify opportunities for the development of medium and high density affordable family housing along existing transit routes. The City and area developers should collaborate with Mountain Metro to adequately serve this area with public transit.

 There is a need for continued fair housing testing, education, training, and outreach, particularly among landlords.

Proposed Action I: HDD should partner with CCRD and the City's newly formed Human Relations Commission to offer annual fair housing training seminars to area landlords and property management companies.

Proposed Action II: HDD should seek additional training opportunities with the National Fair Housing Alliance once it relocates to Colorado Springs.

F. Potential Impediments to Fair Housing Choice – Private Sector

 Mortgage loan denial and high cost lending disproportionately affect minority applicants.

Proposed Action I: Investigate the feasibility of contracting for mortgage testing in the City. If possible, contract with an experienced firm to conduct such testing.

Proposed Action II: Encourage HUD-approved homebuyer counseling providers to continue this invaluable service for lower income and minority households.

 Several newspapers and real estate publications do not comply with federal fair housing requirements.

Proposed Action: HDD, in partnership with the City's newly formed Human Relations Commission, should write letters to newspapers to inform them of their fair housing obligations as they relate to advertising.





2. Introduction

A. Introduction to the Analysis of Impediments

The City of Colorado Springs has prepared an Analysis of Impediments to Fair Housing Choice (AI) to satisfy the requirements of the Housing and Community Development Act of 1974, as amended. This act requires that any community receiving Community Development Block Grant (CDBG) funds affirmatively further fair housing. As a result, the City of Colorado Springs is charged with the responsibility of conducting its CDBG programs in compliance with the federal Fair Housing Act. Additionally, the City of Colorado Springs receives Home Investment Partnerships (HOME) program funds from HUD to which the City's obligation to affirmatively further fair housing is also extended. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities which receive federal funds through the City of Colorado Springs.

Entitlement communities receiving CDBG and HOME entitlement funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction,
- Promote fair housing choice for all persons,
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status, or national origin,
- Promote housing that is accessible to and usable by persons with disabilities, and
- Comply with the non-discrimination requirements of the Fair Housing Act.

These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice.

The AI is a review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice.

B. Fair Housing Choice

Equal and free access to residential housing (housing choice) is a fundamental right that enables members of the protected classes to pursue personal, educational, employment or other goals. Because housing choice is so critical to personal development, fair housing is a goal that government, public officials, and private citizens must embrace if equality of opportunity is to become a reality.

Under federal law, fair housing choice is defined as the ability of persons, regardless of race, color, religion, sex, disability, familial status, or national origin, of similar income levels to have available to them the same housing choices. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This Analysis encompasses the following five areas related to fair housing choice:

- The sale or rental of dwellings (public and private),
- The provision of financing assistance for dwellings,
- Public policies and actions affecting the approval of sites and other building requirements used in the approval process for the construction of publicly assisted housing,
- The administrative policies concerning community development and housing activities, which affect opportunities of minority households to select housing inside or outside impacted areas, and





• Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by the U.S. Department of Housing and Urban Development (HUD) relative to assisted housing in a recipient's jurisdiction, an analysis of the actions which could be taken by the recipient to remedy the discriminatory condition, including actions involving the expenditure of funds made available under 24 CFR Part 570 (i.e., the CDBG program regulations) and/or 24 CFR Part 92 (i.e., the HOME program regulations).

As a federal entitlement community, the City of Colorado Springs has specific fair housing planning responsibilities. These include:

- Conducting an Analysis of Impediments to Fair Housing Choice,
- Developing actions to overcome the effects of identified impediments to fair housing, and
- Maintaining records to support the City's initiatives to affirmatively further fair housing.

HUD interprets these three certifying elements to include:

- Analyzing housing discrimination and working toward its elimination,
- Promoting fair housing choice for all people,
- Providing racially and ethnically inclusive patterns of housing occupancy.
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities, and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

This Analysis will:

- Evaluate population, household, income, and housing characteristics by protected classes across the City and in El Paso County,
- Evaluate public and private sector policies that impact fair housing choice,
- Identify blatant or de facto impediments to fair housing choice, where any may exist, and
- Recommend specific strategies to overcome the effects of any identified impediments.

HUD defines an impediment to fair housing choice as any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on race, color, religion, sex, disability, familial status, or national origin.

This Analysis serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts. The elected governmental body is expected to review and approve the Analysis and use it for direction, leadership, and resources for future fair housing planning.

The Analysis will serve as a "point-in-time" baseline against which future progress in terms of implementing fair housing initiatives will be judged and recorded.

C. Obligation of Entitlement Communities to Affirmatively Further Fair Housing

In August 2009, Westchester County, NY settled a fair housing lawsuit brought against the County by the Anti-Discrimination Center of Metro New York, Inc. The outcome of this lawsuit is relevant to all HUD urban county, state, and city entitlements, including the City of Colorado Springs.

This \$180 million lawsuit filed in April 2006 charged that Westchester County failed to fulfill its obligation to affirmatively further fair housing and ensure non-discrimination in its programs. Westchester County is an Urban County entitlement under HUD's CDBG and HOME Programs. As a condition of federal





funding, all such HUD entitlements certify to HUD each year that they will conduct their entitlement programs in a non-discriminatory manner that affirmatively furthers fair housing in accordance with the Civil Rights Act of 1964 and the federal Fair Housing Act. In making this certification, Westchester County was required to identify impediments to fair housing choice, take action to overcome those impediments, and to maintain records of its analysis and actions.

In the lawsuit, the Center charged that:

- Westchester County is a racially segregated county
- Westchester County's Analysis of Impediments to Fair Housing Choice (AI) was flawed because it considered housing needs based solely on income and failed to fully consider racial segregation and housing needs based on race
- Westchester County failed to inform municipalities receiving CDBG funds of their own obligation to consider the housing needs of persons living outside the communities, not just the needs of residents living within their municipal limits
- Westchester County failed to require municipalities receiving CDBG funds to increase the availability of affordable housing or otherwise affirmatively further fair housing
- As a result of the above, Westchester County made a false claim when it certified to HUD that the County would affirmatively further fair housing.

At issue in this case was not whether Westchester County created affordable housing. In fact, since 1998, the County spent over \$50 million in federal and state funds to aid in the construction of 1,370 affordable rental units and another 334 affordable owner units. It was the *geographic location* of the affordable housing units that were created within the County that was the critical factor in the lawsuit.

The Center alleged that the County's AI did not analyze how its placement of affordable housing affected segregation and racial diversity. It concluded that the County assisted the development of affordable housing units in lower income communities and that as a result, it increased the pattern of racial segregation in Westchester County. Furthermore, the suit charged that the County violated its cooperation agreements with local units of government which prohibits expenditures of CDBG funds for activities in communities that do not affirmatively further fair housing within their jurisdiction or otherwise impede the County's action to comply with its fair housing certifications.

Faced with the threat of losing the \$180 million lawsuit and being cut off from another \$30 million in HUD funding, Westchester County agreed to a settlement with HUD and the Anti-Discrimination Center of Metro New York. Under the terms of the settlement, the County will pay \$21.6 million to HUD in non-federal funds. These funds will be deposited in the County's HUD account and used to build new affordable housing units in specified census tracts with populations of less than 3% Black and 7% Hispanic residents. An additional \$11 million will be paid to HUD, the Center and its counsel. The County will add \$30 million to its capital budget to build affordable housing in non-impacted (i.e., primarily White) areas. It is anticipated that the County will issue bonds to meet its financial obligations under the settlement.

The significance of this legal settlement for urban county, city, and state entitlements throughout the U.S. is clear. The lawsuit confirms that an entitlement community has an obligation to ensure that each sub-recipient affirmatively furthers fair housing. When an entitlement community, such as Colorado Springs makes this pledge to HUD, it is making the promise not just in its own right but also on behalf of each sub-recipient to which it provides CDBG or HOME funds.





D. The Federal Fair Housing Act

i. What housing is covered?

The federal Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

ii. What does the Fair Housing Act prohibit?

a. In the Sale and Rental of Housing

No one may take any of the following actions based on race, color, religion, sex, disability, familial status, or national origin:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for the sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting), or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

b. In Mortgage Lending

No one may take any of the following actions based on race, color, religion, sex, disability, familial status, or national origin:

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan, or
- Set different terms or conditions for purchasing a loan.

c. Other Prohibitions

It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
- Advertise or make any statement that indicates a limitation or preference based on race, color, religion, sex, disability, familial status, or national origin. This prohibition against discriminatory advertising applies to single family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.





iii. Additional Protections for People with Disabilities

If someone has a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities, or has a record of such a disability, or is regarded as having such a disability, a landlord may not:

- Refuse to let the disabled person make reasonable modifications to a dwelling
 or common use areas, at the disabled person's expense, if necessary for the
 disabled person to use the housing. Where reasonable, the landlord may
 permit changes only if the disabled person agrees to restore the property to
 its original condition when he or she moves.
- Refuse to make reasonable accommodations in rules, policies, practices, or services if necessary for the disabled person to use the housing.

For example, a building with a "no pets" policy must make a reasonable accommodation and allow a visually impaired tenant to keep a guide dog.

iv. Housing Opportunities for Families with Children

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under the age 18 live with:

- A parent, or
- A person who has legal custody of the child or children, or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under age 18.

Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a federal, state or local government program, or
- It is occupied solely by persons who are 62 or older, or
- It houses at least one person who is 55 or older in at least 80% of the occupied units, and adheres to a policy that demonstrates the intent to house persons who are 55 or older, as previously described.

A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

v. Recent Changes to HUD Program Regulations

As of a Final Rule effective March 5, 2012, HUD implemented policy with the intention of ensuring that its core programs are open to all eligible individuals and families regardless of sexual orientation, gender identity or marital status. In response to evidence suggesting that lesbian, gay, bisexual and transgender individuals and families were being arbitrarily excluded from housing opportunities in the private sector, HUD's aim was to ensure that its own programs do not allow for discrimination against any eligible person or household, and that HUD's own programs serve as models for equal housing opportunity.





This change to HUD program regulations does not amend the Fair Housing Act to prohibit all discrimination in the private market on the basis of sexual orientation, gender identity, or marital status. However, it prohibits discrimination of those types by any housing provider who receives HUD funding, including public housing agencies, those who are insured by the Federal Housing Administration, including lenders, and those who participate in federal entitlement grant programs through HUD.

E. Colorado Civil Rights Act

The Colorado Civil Rights Division (CCRD) is a division of the State's Department of Regulatory Agencies. The CCRD embraces the Department's mission of consumer protection and works to protect individuals from discrimination in employment and housing and at places of public accommodation through enforcement and outreach consistent with the Colorado Civil Rights Laws.

In addition to the seven federally protected classes, age, sexual orientation, ancestry, and retaliation are also protected classes in Colorado, giving Colorado residents greater protection under the State's fair housing law.

The CCRD is charged with enforcing the State's anti-discrimination laws in the areas of employment (C.R.S § 24-34-402), housing (C.R.S. § 24-34-502), and public accommodation (C.R.S. § 24-34-602). The Division also engages in preventative measures by providing training to groups and information to individuals regarding current laws.

The CCRD is charged with investigating claims of alleged discrimination. Discrimination is defined as differential treatment based upon a person's protected class status. Enforcement activities are conducted by the Division's Compliance Investigators.

HUD has certified that the Colorado Civil Rights Act, both "on its face" and "in operation," continues to provide substantive rights, procedures, remedies, and judicial review procedures for alleged discriminatory housing practices that are substantially equivalent to those provided in the federal Fair Housing Act. As a result of this designation, HUD will refer complaints of housing discrimination that it receives from Colorado to the CCRD. HUD certifies the substantial equivalency status every five years and Colorado's status is valid through April 2015.

C.R.S. § 24-34-303 establishes the Colorado Civil Rights Commission. The Commission consists of seven members, appointed by the governor with the consent of the senate, for four-year terms. Section 24-34-303 requires that the composition of the Commission include: two members representing the business community (one must be from a small business), two members representing state or local government entities, and three members from the community at-large. The statute further states that the Commission should be comprised of at least four members who are members of groups of people who have been or who might be discriminated against because of disability, race, creed, color, sex, sexual orientation, national origin, ancestry, marital status, religion, or age.

The powers and duties of the Commission are defined in C.R.S. § 24-34-305. The Commission's duties include, but are not limited to, the following:

- To adopt, publish, amend, and rescind rules and regulations in relation to discriminatory practices in employment, housing, places of public accommodation, and persons with disabilities.
- To investigate and study the existence, character, causes, and extent of unfair or discriminatory practices and to formulate plans for the elimination of such practices by education and other means,
- To hold hearings upon any complaint issued,





- To issue publications and reports of investigations and research to promote goodwill among the various racial, religious, age, and ethnic groups in the State,
- To prepare and transmit an annual report to the governor,
- To recommend policies to the governor and to submit recommendations to persons, agencies, organizations, and other entities in the private sector to effectuate such policies,
- To make recommendations to the general assembly for further investigation concerning discrimination as necessary, and
- To intervene in racial, religious, cultural, age, and intergroup tensions or conflicts for the purpose of informal mediation using alternative dispute resolution techniques.

Complaint and hearing procedures are outlined in C.R.S. § 24-34-306. Any person claiming to be aggrieved by a discriminatory or unfair housing practice may file a written charge with the Civil Rights Division. The written charge should state the name and address of the respondent alleged to have committed the discriminatory or unfair practice. The Civil Rights Law states that after the filing of a charge alleging discriminatory or unfair practice, the director of CCRD shall make a prompt investigation of the charge to determine as quickly as possible whether probable cause exists for crediting the allegations of the charge.

If the results of the investigation determine that probable cause does not exist, the charges are dismissed and CCRD notifies the person filing the charge and the respondent of the dismissal. If probable cause exists, the Director or another designee from CCRD serves the respondent with written notice specifically stating the legal authority and jurisdiction of the Commission and the matters of fact and law asserted. Additionally, the Director or another CCRD representative requires the charging party and the respondent to participate in compulsory mediation. C.R.S. § 24-34-306 further states that if the Commission determines that certain circumstances warrant, it can issue a written notice and complaint requiring the respondent to answer the charges at a formal hearing before the Commission, a Commissioner, or an Administrative Law Judge. This hearing must occur within 120 days after the service of such written notice and complaint.

C.R.S. § 24-34-502 provides an overview of unfair housing practices prohibited in the State of Colorado. Unlawful housing practices include but are not limited to the following actions based on disability, race, creed, color, sex, sexual orientation, marital status, familial status, religion, national origin, or ancestry:

- To refuse to show, sell, transfer, rent, or lease housing,
- To refuse to receive and transmit any bona fide offer to buy, sell, rent, or lease housing,
- To discriminate in the terms, conditions, or privileges pertaining to any housing or the transfer, sale, rental, or lease of housing,
- To discriminate in the furnishing of facilities or services in connection to housing,
- To make, print, or publish, or cause to be made, printed, or published, any notice or advertisement relating to the sale, transfer, rental, or lease of any housing that indicates any preference, limitation, specification, or discrimination,
- To aid, abet, incite, compel, or coerce the doing of any act defined as an unfair housing practice,
- To discriminate against any person in making available financial transactions (i.e. transactions involving the making or purchasing of loans secured by residential real estate) or in fixing the terms or conditions of such a transaction,
- To induce or attempt to induce, for profit, any person to sell or rent any dwelling by representations regarding the entry or prospective entry into a certain neighborhood, and
- To represent to any other person that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact available.





C.R.S. § 24-34-502.2 provides a summary of unfair housing practices against persons with disabilities that are prohibited in the State of Colorado, which include, but are not limited to, the following:

- To discriminate in the sale or rental of, or to otherwise make unavailable or deny, a dwelling to any buyer or renter because of a disability of the buyer or renter,
- To discriminate against another person in the terms, conditions, or privileges of sale or rental
 of a dwelling or in the provision of services or facilities in connection with such dwelling
 because of a disability of that person,
- To refuse to permit, at the expense of the person with a disability, reasonable modifications
 of existing premises occupied or to be occupied by such person if such modifications are
 necessary to afford the person full enjoyment of the premises, and;
- To refuse to make reasonable accommodations in rules, policies, practices, or services
 when such accommodations may be necessary to afford a person with a disability equal
 opportunity to use and enjoy a dwelling.

Time limits on the filing of charges are discussed in C.R.S. § 24-34-504. Any charge alleging discrimination in housing practices must be filed within one year after the alleged unfair housing practice occurred. Within thirty days of such filing, the Director must begin an investigation of the charge. The Director has 100 days to determine, based on the facts, whether probable cause exists to believe that a discriminatory housing practice has occurred. After determination by the Director that probable cause exists, the Commission issues a notice and complaint. If all parties elect to have the charges decided in an administrative hearing, the Commission holds the hearing. Final administrative disposition of a charge filed must be made within one year of the date the charge was originally filed.

The following chart depicts the protected classes of the various fair housing statues for Colorado Springs residents.

Figure 2-1
Comparison of Statutory Protections from Housing Discrimination

Protected Class	Federal Fair Housing Act	Colorado Civil Rights Act
Race	•	•
Color	•	•
National Origin	•	•
Religion	•	•
Sex	•	•
Familial Status (families with children under age 18)	•	•
Handicap/Disability Status	•	•
Retaliation (for opposing a discriminatory practice)		•
Age		•
Sexual Orientation		•
Ancestry		•
Marital Status		•
Creed		•





F. Comparison of Accessibility Standards

There are several standards of accessibility that are referenced throughout the AI. These standards are listed below along with a summary of the features within each category or a direct link to the detailed standards.

i. Fair Housing Act

In buildings that are ready for first occupancy after March 13, 1991 and include four or more units:

- There must be an accessible entrance on an accessible route
- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All ground floor units and all units in elevator buildings must have:
 - o An accessible route into and through the unit
 - Accessible light switches, electrical outlets, thermostats, and other environmental controls
 - Reinforced bathroom walls to allow later installation of grab bars, and
 - o Kitchens and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground-floor units. These requirements for new buildings do not replace any more stringent standards in state or local law.

ii. Americans with Disabilities Act (ADA)

ADA standards are required to ensure equal access to places of public accommodation and commercial facilities by individuals with disabilities. These building standards are to be applied during the design, construction, and alteration of such buildings and facilities to the extent required by regulations issued by federal agencies, including the Department of Justice (DOJ), under the Americans with Disabilities Act of 1990 (ADA). Revised ADA Title II and III Regulations were adopted by the DOJ in 2010 and included the 2010 ADA Standards for Accessible Design, or the "2010 Standards." As of March 15, 2012, compliance with the 2010 Standards is required for new construction, for alterations, and for places of recreation where guidance did not previously exist. These recreational areas include swimming pools, exercise equipment, golf courses, play areas, saunas and steam rooms, and boating and fishing platforms.

Changes incorporated into the 2010 Standards include:

- Addition of technical requirements based on children's dimensions
- Use of ranges rather than absolutes for most elements
- Location of accessible routes must be in general circulation paths
- If a circulation path is provided between seated areas and a stage, it must be accessible
- All direct entrances in multi-level parking garages must be accessible
- More guidance on location of accessible seating in assembly areas
- Single-user toilet rooms must now provide both a parallel and side approach to a water closet

A complete description of the guidelines can be found at:

http://www.ada.gov/2010ADAstandards_index.htm





ADA regulations are to be followed to ensure equal access to programs for people with disabilities. Compliances with the revised ADA Title II and III Regulations began on March 15, 2011. In addition to the changes listed above, the amended regulations include revisions to definitions of service animals, wheelchairs and other power-driven mobility devices, and updated guidance for the provision of auxiliary devices and accessible ticketing practices. A complete description of the revised ADA Title II and III Regulations can be found online at:

http://www.ada.gov/regs2010/ADAregs2010.htm

iii. Uniform Federal Accessibility Standards (UFAS)

UFAS accessibility standards are required for facility accessibility by physically handicapped persons for Federal and federally-funded facilities. These standards are to be applied during the design, construction, and alteration of buildings and facilities to the extent required by the Architectural Barriers Act of 1968, as amended. A complete description of the guidelines can be found at www.access-board.gov/ufas/ufas-html/ufas.htm.

iv. Section 504

Section 504 of the Rehabilitation Act of 1973 and 24 CFR Part 8 require that at least 5% of all public housing units be accessible to persons with mobility impairments. In addition, at least 2% of public housing units must be accessible to persons with sensory impairments. These are minimum requirements. A higher percentage may be required in circumstances where greater need is determined by the PHA. The 2% sensory-accessible unit requirement can be a mobile requirement, depending on where the tenant with visual and/or impairments could stay in a standard unit. In addition, a PHA's administrative offices, application offices, and other non-residential facilities must be accessible to persons with disabilities. Either the Uniform Federal Accessibility Standards (UFAS) or other safe harbor accessibility standards are the standard against which residential and non-residential spaces are judged to be accessible.

v. Visitability Standards

The term "visitability" refers to single-family housing designed in such a way that it can be lived in or visited by people with disabilities. A house is visitable when it meets three basic requirements:

- At least one no-step entrance,
- Doors and hallways wide enough to navigate a wheelchair through, and
- A bathroom on the first floor big enough to get into in a wheelchair, and close the door.

vi. Universal Design

Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without adaptation or specialized design. Seven principles guide Universal Design. These include:

- Equitable use (e.g., make the design appealing to all users)
- Flexibility in use (e.g., accommodate right- or left-handed use)
- Simple and intuitive use (e.g., eliminate unnecessary complexity)
- Perceptible information (e.g., provide compatibility with a variety of techniques or devices used by people with sensory limitations)
- Tolerance for error (e.g., provide fail-safe features)
- Low physical effort (e.g., minimize repetitive actions)





 Size and space for approach and use (e.g., accommodate variations in hand and grip size).

G. Methodology

The firm of Mullin & Lonergan Associates, Inc. (M&L) was retained as consultants to conduct the Analysis of Impediments to Fair Housing Choice. M&L utilized a comprehensive approach to prepare the Al involving the City of Colorado Springs. The following sources were utilized:

- The most recently available demographic data regarding population, household, housing, income, and employment at the census tract, city, county, and/or state level
- Public policies affecting the siting and development of housing
- Administrative policies concerning housing and community development
- Financial lending institution data from the Home Mortgage Disclosure Act (HMDA) database
- Agencies that provide housing and housing related services to members of the protected classes
- The City's Consolidated Plan, Annual Plans, and CAPERs
- The 2002 Analysis of Impediments to Fair Housing Choice
- Fair housing complaints filed with HUD and CCRD
- Real estate advertisements
- 2000 and 2010 residential segregation data available from Census Scope
- Interviews and focus group sessions conducted with agencies and organizations that provide housing and housing related services to members of the protected classes.

H. Development of the Al

i. Lead Agency

The Housing Development Division (HDD) of the City of Colorado Springs was responsible for the preparation and implementation of the AI. Staff from HDD identified and invited numerous stakeholders to participate in the process for the purpose of developing a thorough analysis with a practical set of recommendations to eliminate impediments to fair housing choice, where identified.

ii. Agency Consultation

HDD engaged in an extensive consultation process with local public agencies, nonprofit organizations, and other interested entities in an effort to develop a community planning process for the Al. A series of written questionnaires were mailed to many of the interviewees and lists of issues were developed for the focus group sessions and interviews.

In early March 2012, the consulting team conducted a series of focus group sessions and individual interviews to identify current fair housing issues impacting the various agencies and organizations. Comments received through these meetings and interviews are incorporated throughout the AI, where appropriate.

A list of the stakeholders identified and invited to the focus group sessions and interviews is included in Appendix A.





I. The Relationship between Fair Housing and Affordable Housing

As stated in the Introduction, fair housing choice is defined as the ability of persons, regardless of race, color, religion, sex, disability, familial status, or national origin, of similar income levels to have available to them the same housing choices. In Colorado, this protection is also extended to persons based on age, sexual orientation, ancestry, marital status, creed, and retaliation for opposing a discriminatory practice. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This AI analyzes a range of fair housing issues regardless of a person's income. To the extent that members of the protected classes tend to have lower incomes, then access to fair housing is related to affordable housing. In many areas across the U.S., a primary impediment to fair housing is a relative absence of affordable housing. Often, however, the public policies implemented in counties and cities create, or contribute to, the lack of affordable housing in these communities, thereby disproportionately affecting housing choice for members of the protected classes.

This document goes well beyond an analysis of the adequacy of affordable housing in the City of Colorado Springs. This AI defines the relative presence of members of the protected classes within the context of factors that influence the ability of the protected classes to achieve equal access to housing and related services.





3. Demographic Information

A. Demographic Profile

i. Population Trends

Colorado Springs is located in south-central Colorado in El Paso County, about 65 miles south of Denver, Colorado's State Capitol. The City of Colorado Springs is the county seat and most populous city in El Paso County. With a 2010 population of 416,427 residents, Colorado Springs is the second most populous city in Colorado, directly behind Denver. At 194.54 square miles, it is the largest city in area in Colorado, surpassing Denver's 153 square miles.

Population trends in Colorado Springs over the past four decades indicate major growth. Between 1970 and 2010, the City grew at almost double the rate of the State of Colorado. Its growth slowed between 2000 and 2010, and the City's general growth was not as strong as its surrounding county (21.3%) or the State (7.4%). The City's 15.4% growth rate was higher than the national average of 9.7% during this period. The City's growth is fueled by the presence of several military installations, the appeal of Colorado City for retired military personnel, and a temperate climate.

Figures 3-1 and 3-2 provide a summary of population trends in Colorado Springs, El Paso County, and the State of Colorado.

Figure 3-1 Population Trends, 1970-2010

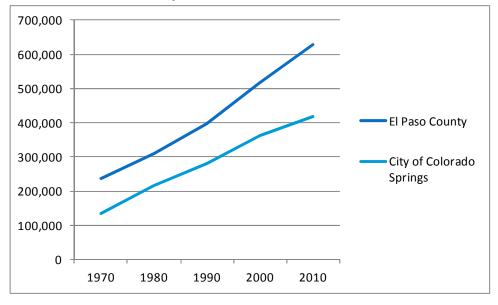
	1970	1980	1990	2000	2010	% Ch	ange
	1970	1300	1990	2000	2010	1970-2010	2000-2010
Colorado	2,207,259	2,889,964	3,294,394	4,301,261	5,049,071	128.7%	17.4%
El Paso County	235,972	309,424	397,014	516,929	626,928	165.7%	21.3%
City of Colorado Springs	135,060	215,150	281,140	360,890	416,427	208.3%	15.4%

Source: US Census Bureau, SF 1 Data; National Historical Geographic Information System; Springsgov.com.





Figure 3-2 Population Trends, 1970-2010



Colorado Springs has more than tripled in population since 1970, growing from 135,060 to 416,427 residents. This rate exceeded the County and State rates during the same period.

However, growth has slowed during the past decade but was still significant at a rate of 15.4%.

While the minority population in Colorado Springs became increasingly more diverse between 2000 and 2010, Whites still represent 78.8% of the population. The growth in the overall minority population in Colorado Springs was caused by a large increase of Persons of Two or More Races (122.2%) and a large increase in Hispanics (71%). The rate of growth among the Hispanic population was slower than that of El Paso County (79.1%) but faster than the statewide growth rate (51.4%). While there was growth in every minority population group within the City, no other minorities had growth rates as strong as that of the multi-race and Hispanic populations.

The White population increased 12.8% between 2000 and 2010, compared to 18.2% among Whites countywide during the same period. The Asian population in the City grew more slowly (26.9%) than it did in El Paso County (34%) and the State (45.9%). The Black population grew almost 11% in the City compared to 14.3% in the County and 22.2% across the State.





Figure 3-3
Population by Race and Ethnicity in Colorado Springs, 2000-2010

	2000		201		
	#	%	#	%	% Change 2000-2010
Total	360,890	100.0%	416,427	100.0%	15.4%
White	291,095	80.7%	328,326	78.8%	12.8%
Black	23,677	6.6%	26,253	6.3%	10.9%
AIAN	3,175	0.9%	4,025	1.0%	26.8%
Asian	10,943	3.0%	13,891	3.3%	26.9%
Some Other Race	18,091	5.0%	22,819	5.5%	26.1%
Two or More Races	9,501	2.6%	21,113	5.1%	122.2%
Hispanic	39,104	10.8%	66,866	16.1%	71.0%

Source: US Census 2010 Census, SF 1 Data

Among all minority groups in the City, the multi-race and Hispanic populations experienced the largest growth between 2000 and 2010, increasing 122.2% and 71%, respectively, during this period.

Hispanics represent the largest minority group in the City, accounting for over 16% of the total population.

ii. Areas of Racial and Ethnic Minority Concentration

An area of ethnic or racial concentration is defined by the City as a census tract where the percentage of a specific racial or ethnic minority group is double or more than the City's overall average.

Blacks accounted for 6.3% of the City's population in 2010. Based on the stated definition, an area of racial concentration of Black residents would include any census tract where the percentage of Black residents is 12.6% or higher. There are 12 census tracts that meet this criterion, including tracts 28, 40.08, 40.09, 45.01, 51.02, 53, 54, 63.01, 63.02, 64, 65.01, and 65.02. Map 1 illustrates areas of concentration of Black residents in Colorado Springs, located in the southeastern section of the City.

There are three areas of racial concentration for the AIAN population. An area of concentration of AIAN residents would include any census tract where the percentage of AIAN residents is 2% or more. The following census tracts represent areas of AIAN concentration: 11.01, 23, and 28. Areas of AIAN concentration are located in the southern central area of the City, as illustrated on Map 2.

An area of concentration of Asian residents would include any census tract where the percentage of Asian residents is 6.6% or higher. Census tracts meeting this criterion include 71.01, 72.01,





and 72.02. Map 3 highlights areas of concentration of Asian residents in Colorado Springs, which are located in the north-central portion of the City.

Hispanic residents represent 16.1% of the City's population. An area of ethnic concentration would include any census tract where the percentage of Hispanics is 32.2% or higher. There are nine census tracts that meet this criterion, including 28, 29, 52.01, 53, 54, 61, 62, 63.02, and 65.01. The majority of these tracts are located in the south-central part of the City of Colorado Springs, as illustrated on Map 4.

Several areas of concentration include concentrations of multiple minority groups. In total, there are 22 areas of concentration of minority persons in the City of Colorado Springs.



There are 22 areas of concentration of minority persons in the City of Colorado Springs, the majority of which are located in the southern portion of the City.

Areas of concentration of minority persons include 12 census tracts of Black residents, nine tracts of Hispanic residents, three of AIAN residents, and nine of Asian residents. In addition, census tracts 28, 53, 54, 63.02, and 65.01 are areas of concentration of multiple minorities.





iii. Residential Segregation Patterns

Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Typically, the pattern of residential segregation involves the existence of predominantly homogenous, White suburban communities and lower income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, such as real estate practices, limit the range of housing opportunities for minorities. A lack of racial or ethnic integration in a community creates other problems, such as reinforcing prejudicial attitudes and behaviors, narrowing opportunities for interaction, and reducing the degree to which community life is considered harmonious. Areas of extreme minority isolation often experience poverty and social problems at rates that are disproportionately high. Racial segregation has been linked to diminished employment prospects, poor educational attainment, increased infant and adult mortality rates, and increased homicide rates.

The distribution of racial or ethnic groups across a geographic area can be analyzed using an index of dissimilarity. This method allows for comparisons between subpopulations, indicating how much one group is spatially separated from another within a community. The index of dissimilarity is rated on a scale from 0 to 100, in which a score of 0 corresponds to perfect integration and a score of 100 represents total segregation. The index is typically interpreted as the percentage of the minority population that would have to move in order for a community or neighborhood to achieve full integration. A dissimilarity index of less than 30 indicates a low degree of segregation, while values between 30 and 60 indicate moderate segregation, and values above 60 indicate high segregation.

Dissimilarity indices in the following chart show that Colorado Springs has low to moderate levels of segregation between Whites and minority populations based on 2010 data. However, these indices reveal a pattern of increasing integration throughout the City when compared to 2000 indices. For example, the White/Black index decreased from 41.0 in 2000 to 35.4 in 2010. This trend occurred concurrently with a significant growth rate among White residents and a very modest increase among Black residents who account for only 5.4% of the total population in 2010. All other indices were relatively comparable to 2000 with the exception of Persons of Some Other Race, which decreased from 51.4 in 2000 to 40.2 in 2010, further indicating an integrating trend in Colorado Springs. Hispanics, the fastest growing segment of the population, are also becoming integrated as demonstrated by an index decreasing from 30.3 to 28.8.

¹ The index of dissimilarity is a commonly used demographic tool for measuring inequality. For a given geographic area, the index is equal to 1/2 ∑ ABS [(b/B)-(a/A)], where b is the subgroup population of a census tract, B is the total subgroup population in a city, a is the majority population of a census tract, and A is the total majority population in the city. ABS refers to the absolute value of the calculation that follows.





Figure 3-4
Colorado Springs Dissimilarity Index Rankings, 2010

		2000		2010			
	DI with White Population	Population	% of Total Population	DI with White Population	Population	% of Total Population	
White		313,012	75.8%		323,612	67.9%	
Black	41.0	24,397	5.9%	35.4	25,862	5.4%	
American Indian/Alaska Native	24.2	2,363	0.6%	24.4	3,980	0.8%	
Asian	23.0	12,274	3.0%	22.0	13,701	2.9%	
Other	51.4	1,721	0.4%	40.2	22,528	4.7%	
Two or more races	20.1	11,526	2.8%	19.1	20,842	4.4%	
Hispanic	30.3	47,759	11.6%	28.8	66,072	13.9%	
Total		413,052	100.0%		476,597	100.0%	

Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to creat a completely even demographic distribution in the County Note: Hispanic ethnicity is counted independently of race. There are some overlaps with other races, creating a higher total population.

Source: US Census Bureau, 2000 and 2010 Census; Calculations by Mullin & Lonergan Associates



There is evidence that Colorado Springs is becoming more integrated as its population increases and diversifies.

Despite a modest growth rate in the Black population over the past decade, the White/Black dissimilarity index decreased from 41.0 to 35.4. Persons of Other Races also became more integrated throughout the community, experiencing a decrease in the index from 51.4 to 40.2. Hispanics, the fastest growing population segment, decreased from 30.3 to 28.8. All other minority groups had comparable rates for 2000 and 2010.

iv. Race/Ethnicity and Income

Household income is one of several factors used to determine a household's eligibility for a home mortgage loan or rental lease. In Colorado Springs, the median household income for Whites was significantly higher than for Blacks and Hispanics. In 2010, White households had the highest median household income of \$55,916 while Asians had the second highest median income of \$51,468. The median household incomes for White households and Asian households were significantly higher than any other minority group. Black households, with a median income of \$40,463, earned only 72% of the White median household income; the Hispanic median household income was equivalent to only 64%.





The differences between median incomes are more pronounced in Colorado Springs than in El Paso County. Although the White population still had the highest median income, the difference between the second and third highest median incomes (Asians and Blacks) was only about \$3,000. While El Paso County has a higher overall median income, there are less disparities among the median incomes of minority groups.

As shown in Figure 3-5, poverty rates were highest among Hispanic and Black households in both Colorado Springs and El Paso County. This would be expected with such lower incomes among these groups.

Figure 3-5
Median Household Income and Poverty Rates by Race/Ethnicity, 2010

	-	-
	Median Household Income	Poverty Rate
El Paso County	\$56,268	11.1%
White	\$59,026	9.6%
Black	\$46,115	15.7%
American Indian	\$39,565	17.5%
Asian	\$49,809	10.3%
Some Other Race	\$36,129	28.1%
Two or More Races	\$44,860	15.2%
Hispanic	\$37,697	22.7%
City of Colorado Springs	\$53,074	11.8%
White	\$55,916	9.7%
Black	\$40,463	18.3%
American Indian	\$40,059	19.0%
Asian	\$51,468	12.5%
Some Other Race	\$33,944	31.5%
Two or More Races	\$42,492	15.8%
Hispanic	\$36,014	25.4%

Source: American Community Survey 2006-2010 5 Year Estimates; B19013, B19013A, B19013B, B19013C, B19013D, B19013E, B19013F, B19013G, B19013I





\$60,000 \$50,000 \$30,000 \$10,000 \$10,000 \$0 Median Household Income

Figure 3-6
Median Household Income, 2010

Black and Hispanic households in Colorado Springs are more likely to live in poverty than White households and other minority households.

In the City, Black households are almost twice as likely to live in the lowest income (18.3%) bracket as Whites (9.7%). Hispanics experience an even greater rate of poverty at 25.4%.

Among all households in Colorado Springs, household income was somewhat evenly distributed across income brackets, as shown in Figure 3-7. However, Black, Hispanic, and Other Race households were more likely to have annual incomes of less than \$25,000. Among Blacks and Hispanics, 31% and 32.9%, respectively, fell into this income bracket. On the opposite end of the spectrum, only 18.5% of Black households and 17.0% of Hispanic households had incomes of \$75,000 or higher, compared to 35.9% of White households and 28.5% of Asian households.

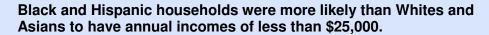




Figure 3-7
Household Income Distribution by Race, 2010

	Total Households	\$0- \$24,999	%	\$25,000- \$49,999	%	\$50,000 to \$74,999	%	\$75,000 or higher	%
Total	182,185	41,801	22.9%	47,712	26.2%	35,191	19.3%	57,481	31.6%
White	135,375	27,196	20.1%	33,088	24.4%	26,451	19.5%	48,640	35.9%
Black	10,009	3,104	31.0%	2,743	27.4%	2,311	23.1%	1,851	18.5%
American Indian	1,690	517	30.6%	482	28.5%	291	17.2%	400	23.7%
Asian	4,321	1,069	24.7%	1,058	24.5%	961	22.2%	1,233	28.5%
Some Other Race	6,535	2,166	33.1%	2,360	36.1%	979	15.0%	1,030	15.8%
Two or More Races	4,365	1,214	27.8%	1,292	29.6%	904	20.7%	955	21.9%
Hispanic	19,890	6,535	32.9%	6,689	33.6%	3,294	16.6%	3,372	17.0%

Source: American Community Survey 2006-2010 5 Year Estimates; B19001A, B19001B, B19001C, B19001D, B19001E, B19001F, B19001G, B19001I



Thirty-one percent of Black households and almost 33% of Hispanic households earned less than \$25,000 annually. By comparison, 20.1% of White households and 24.7% of Asian households fell into this lower income bracket.

v. Concentrations of LMI Persons

The CDBG Program includes a statutory requirement that at least 70% of the funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements.

HUD data reveals there are 91 block groups in 46 different census tracts in Colorado Springs in which at least 51% of residents (for whom this rate is determined) meet the criterion for LMI status. Of these block groups, 38 (in 18 census tracts) are also identified as areas of minority concentration.

Map 5 illustrates areas of LMI concentration in Colorado Springs, which are found primarily in the City's central, southern, and eastern neighborhoods.

Map 6 illustrates the impacted areas in the City, which are defined as areas where concentrations of minority residents overlap with concentrations of LMI persons. It is within these impacted areas that housing, income, and other characteristics will be analyzed. The impacted areas in Colorado Springs are concentrated in the south-central portion of the City and they include tracts 11.01, 23, 28, 29, 33.03, 40.08, 40.09, 46, 52.01, 52.02, 53, 54, 61, 62, 63, 64, 65.01, and 65.02.





There are 18 impacted areas in Colorado Springs which include concentrations of both LMI persons and minorities.

In Colorado Springs, 18 of the 22 census tracts identified as concentrations of minority persons were also areas of concentration of LMI residents. These impacted areas are located in the south-central portion of the City, south of State Highway 24.

vi. Disability and Income

The Census Bureau reports disability status for non-institutionalized disabled persons. As defined by the Census Bureau, a disability is a long-lasting physical, mental, or emotional condition that can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business. The Fair Housing Act prohibits discrimination based on disability.

In 2010, 10.9% of all Colorado Springs residents had at least one disability. It is evident that with age, the likelihood of having at least one disability increases. Fifty percent (50%) of Colorado Springs residents age 75 and over have at least one disability.

Figure 3-8
Disability Status by Age, 2010

	El Paso County	% within age group	City of Colorado Springs	% within age group
Total	597,805		408,032	
Under 5 years	45,374		28,367	
With at least one disability	384	0.8%	333	1.2%
5 to 17 years	117,567		76,207	
With at least one disability	5,141	4.4%	2,573	3.4%
18 to 34 years	136,472		97,944	
With at least one disability	8,883	6.5%	6,348	6.5%
35 to 64 years	237,007		162,231	
With at least one disability	31,267	13.2%	20,548	12.7%
65 to 74 years	34,859		23,582	
With at least one disability	6,597	18.9%	4,825	20.5%
75 years and over	26,526		19,701	
With at least one disability	13,384	50.5%	9,844	50.0%
Total population with disabilities	65,656	11.0%	44,471	10.9%

Source: US Census Bureau ACS B18130, 2010 1 year estimates





90.0% 80.0% 70.0% 60.0% 50.0% 10.0% Under 5 5-17 years 18-34 years 35-64 years 65-74 years 75+ years years

Figure 3-9
Percent of Residents with a Disability Living in Poverty by Age Group, 2010

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. As seen in Figure 3-9, a disability generally increases the likelihood of someone to live below the poverty level. Among some age groups (e.g. 35-64 years) in Colorado Springs, a disability made someone over three times more likely to live in poverty. The only age group which had a lower likelihood of being below poverty level with a disability was persons aged 75 and over, as this group is more likely to be retired and/or no longer seeking work.

Colorado Springs residents with disabilities were more likely to live in poverty than persons without disabilities in 2010.

In Colorado Springs, 20.6% of disabled individuals were living in poverty compared to the overall City rate of 11.8% of those living in poverty without a disability.

vii. Familial Status and Income

The Census Bureau divides households into family and non-family households. Family households are married couple families with or without children, single-parent families, and other families made up of related persons. Non-family households are either single persons living alone, or two or more non-related persons living together.





Title VIII of the Civil Rights Act of 1968 protects against gender discrimination in housing. Protection for families with children was added in the 1988 amendments to Title VIII. Except in limited circumstances involving elderly housing and owner-occupied buildings of one to four units, it is unlawful to refuse to rent or sell to families with children.

Between 2000 and 2010, the proportion of female-headed households in Colorado Springs increased 26%, and female-headed households with children increased 23.1%. By comparison, married-couple family households with children declined 5.2% during the same period. Married families with children increased 4.6%, while nonfamily households increased more than sixfold, or over 520%. Less traditional households are increasing at a much faster rate than traditional households in Colorado Springs.

Figure 3-10 Households by Type and Presence of Children, 2000-2010

		2000	2010	% Change 2000- 2010
Total Households		177,875	240,126	35.0%
Total Family Households		148,804	155,662	4.6%
Married-couple families		74,402	77,831	4.6%
With own children under 18 years		36,445	34,546	-5.2%
No own children under 18 years		37,957	43,285	14.0%
Other Family Households		19,489	24,995	28.3%
Male Householder	Total	5,118	6,883	34.5%
	With own children under 18 years	3,104	4,076	31.3%
	No own children under 18 years	2,014	2,807	39.4%
Female Householder	Total	14,371	18,112	26.0%
	With own children under 18 years	9,632	11,854	23.1%
	No own children under 18 years	4,739	6,258	32.1%
Nonfamily Households		9,582	59,469	520.6%

Source: US Census Bureau, 2000 Census, SF 3 P10; American Community Survey 2006-2010 Five-Year Estimates, B11001 &B11003

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of some landlords to rent their units to families with children. In Colorado Springs, female-headed households with children comprised 7.5% of all families, 80.8% of which lived below the poverty level. Female-headed households also comprised 14.2% of all families living in poverty in Colorado Springs in 2010.²



² U.S. Census Bureau, 2006-2010 American Community Survey (B17006)



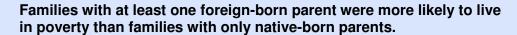
More than a quarter of female-headed households with children live below the poverty level in Colorado Springs.

Over 80% of female-headed households live in poverty. Female-headed households comprise 14.2% of all families living in poverty yet represent only 7.5% of all families.

viii. Ancestry and Income

It is illegal to refuse the right to housing based on place of birth or ancestry. Census data on native and foreign-born populations revealed 10.9% of the City's residents in 2010 were foreign-born or born outside of the U.S. in Puerto Rico or on U.S. island areas.³

Children with at least one foreign-born parent (i.e. a parent born outside of the U.S.) were more likely to live in households earning less than 200% of the poverty rate in 2010. Among families with at least one foreign-born parent, 57.4% were in this income category compared to 34.5% of families with children and only native-born parents (i.e. both parents born in the U.S.). ⁴ Children with only native born parents were likely to have a higher familial income and less likely to live in poverty.



In 2010, 57.4% of families with at least one foreign-born parent were earning less than 200% of the poverty rate, compared to 34.5% of families with only native born parents.

ix. Persons with LEP

Persons with limited English proficiency (LEP) are defined as persons who have a limited ability to read, write, speak, or understand English. HUD uses the prevalence of persons with LEP to identify the potential for impediments to fair housing choice due to their inability to comprehend English. Persons with LEP may encounter obstacles to fair housing by virtue of language and cultural barriers within their new environment. To assist these individuals, it is important that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.



³ U.S. Census Bureau, 2006-2010 American Community Survey (B05002)

⁴ U.S. Census Bureau, 2008-2010 American Community Survey (C05010)



American Community Survey (ACS) data reports on the non-English language spoken at home for the population five years and older. In Colorado Springs, there were 17,874 persons who spoke English less than "very well" in 2010, representing about 4.8% of the population. Over 65% of those who speak English less than very well were native Spanish speakers, which represent 3.1% of the total population in Colorado Springs.

Figure 3-11
Language Spoken at Home by Ability to Speak English, 2010

Language Group	Number of LEP Persons	Percent of Total Population
Total LEP Persons	17,874	4.8%
Spanish	11,778	3.1%
French	274	0.1%
German	679	0.2%
Chinese	714	0.2%
Japanese	338	0.1%
Korean	1,461	0.4%
Tagalog	344	0.1%
Other	2,286	0.6%

Source: US Census Bureau, ACS 2006-2010 5 year estimates, B16001

In 2010, there were 17,874 people in Colorado Springs with limited English proficiency (LEP).

Almost 66% of persons with LEP were native Spanish speakers, who represented 3.1% of the population age 5 and older.

x. Protected Class Status and Unemployment

In 2010, unemployment in Colorado Springs was 7.6%, which was slightly higher than the statewide rate of 6.8% for population of 16 years and older. Across the City, unemployment rates were higher among Blacks (10.4%) and Hispanic residents (10.2%) than among Whites (7.0%) and Asians (5.9%).

Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses. Black, AIAN, Other Race, and residents of Two or More Races are likely to have the least amount of disposable income for other expenses, as shown in Figure 3-12.





Figure 3-12 Civilian Labor Force, 2010

	Total Population	In Labor Force	Employed	Unemployment Rate
Population 16 years and over	312,123	70.2%	62.5%	7.6%
White	255,827	69.5%	62.2%	7.0%
Black	18,808	74.7%	63.9%	10.4%
American Indian and Alaska Native	2,852	71.4%	60.1%	14.8%
Asian	9,447	67.7%	60.8%	5.9%
Some Other Race	14,285	75.2%	64.8%	12.3%
Two or More Races	10,154	75.0%	63.8%	10.9%
Hispanic	41,421	74.0%	64.4%	10.2%
Male	122,686	88.8%	77.4%	7.1%
Female	125,840	74.0%	68.0%	6.9%

Source: US Census Bureau, ACS 2010, 5 year estimates, S2301



With the exception of Asian residents, minorities were more likely to be unemployed than White residents in Colorado Springs.

The unemployment rates among all minorities, except Asian residents, exceeded 10% in 2010 while the rate among White residents was 7.0%. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

B. Housing Market

The U. S. Department of Housing and Urban Development's Office of Policy Development and Research publishes quarterly reports on housing market conditions for metropolitan areas throughout the U.S. According to the 3rd Quarter 2011 U.S. Housing Market Conditions report for the Colorado Springs metropolitan area, which consists of both Teller and El Paso Counties, net in-migration has averaged 5,600 people per year since 2008.⁵ Over half (52%) of the persons migrating into the Colorado Springs area during this period were retirees and military families.

The greater Colorado Springs area is home to several major military installations, including Fort Carson Army Base, Peterson Air Force Base, the U.S. Air Force Academy, Schriever Air Force Base, and the North American Aerospace Defense Command. These military installations have a total annual impact of approximately \$5 billion on the local economy and a significant impact on the housing market.

⁵ Page 56. "U.S. Housing Market Conditions." 3rd Quarter 2011. U.S. Department of Housing and Urban Development, Office of Policy Development and Research. November 2011.





According to the report, the homes sales market in the Colorado Springs metro area is soft and single-family housing construction has slowed. The number of single-family homes sold during the most recent 12-month period ending August 2011 decreased 9% from the previous 12-month period. The weaker sales market has been intensified by continued foreclosure activity.

In contrast, rental housing market conditions have improved over the past two years. The rental housing market is tighter, with an estimated overall vacancy rate of 5.5%. The return of military troops and their families, along with a continued troop presence at Fort Carson, has contributed to a stronger demand for rental housing units in the greater Colorado Springs metro area. In response to this increased demand for rental units, multi-family housing construction has increased. During the 12-month period ending August 2011, approximately 420 permits were issued for multi-family units, a significant increase from just 10 units in the previous 12-month period.

According to the Colorado Springs' Planning Department, there are about 2,000 multi-family housing units in the City's development review pipeline. The single-family market is much slower with only about 100 permits issued each month.

i. Housing Inventory

The housing stock in Colorado Springs is relatively new with over 70% of the existing units built since 1970. As an indication of the fast growth rate in population, nearly 34% of all existing residential units have been built since 1990.

The housing stock in Colorado Springs grew by nearly 53,800 units, or 42.7%, between 1990 and 2010. The large majority of these units were single-family units while very few were affordable to lower income households. Many of the newer units have been constructed in the City's north and east quadrants. The State and County also experienced growth in their housing inventory during this period.

Figure 3-13
Trends in Housing Inventory, 1990-2010

	Total	Housing Ur	Change 1990-2010		
	1990	2000	2010	#	%
Colorado	1,477,340	1,808,037	2,212,898	735,558	49.8%
El Paso County	165,054	202,428	252,852	87,798	53.2%
City of Colorado Springs	125,858	148,690	179,607	53,749	42.7%

Source: US Census Bureau, 2000 Census SF1, H1; 2010 Census SF1, H1; DemographicsNow, 1990 data





300,000 250,000 150,000 100,000 1990 2000 2010

Figure 3-14
Trends in Housing Inventory, 1990-2010

The housing inventory in Colorado Springs increased 42.7% between 1990 and 2010.

A large portion of the City's housing inventory was built over the last two decades, as 53,749 housing units were added to the housing inventory in Colorado Springs between 1990 and 2010.

ii. Types of Housing Units

In 2010, the American Community Survey reported there were 177,677 occupied housing units in the City. Of these, 50,091, or 28.2%, were multi-family units and 127,586, or 69.4%, were single-family units. Additionally, 2.4% of the housing stock consisted of mobile homes.

Figure 3-15 details units in structure for the City, County, and State. The percentage of inventory of multi-family units was 28.2% in the City. By comparison, El Paso County had 22.5% multi-family units, while the State had the largest percentage of mobile homes.





Figure 3-15 Units in Structure, 2010

Total : Units	6: 1 5 11	Multi-Family Units					Na-1-11-	D+ D\/	
		Single-Family Units	2 to 4	5 to 9	10 to 19	20 or more	Total	Mobile Home	Boat, RV, Van, etc.
Colorado	2,176,600	69.8%	5.2%	4.7%	6.1%	9.5%	25.5%	4.6%	0.1%
El Paso County	248,842	73.7%	5.6%	3.6%	5.0%	8.2%	22.5%	3.8%	0.04%
Colorado Springs	177,677	69.4%	6.1%	4.5%	6.6%	11.0%	28.2%	2.4%	0.04%

Source: US Census Bureau, 2006 2010 American Community Survey 5-Year Estimates, B25024

iii. Protected Class Status and Home Ownership

The value in home ownership lies in the accumulation of wealth as the owner's share of equity increases with the property's value. Paying a monthly mortgage instead of rent is an investment in an asset that is likely to appreciate. According to one study, "a family that puts 5 percent down to buy a house will earn a 100 percent return on the investment every time the house appreciates 5 percent." ⁶

Historically, minorities tend to have lower homeownership rates than Whites. In Colorado Springs, 65.7% of White households owned their homes, while most minorities had significantly lower homeownership rates. Blacks had the lowest homeownership rate at 40.7%, followed by AIAN households at 42.4%. The rate of Hispanic homeowners was 43.9%. Slightly more than 60% of Asian households owned their homes, a rate comparable to White households.

Figure 3-16 illustrates homeownership by race and location. The State had the highest overall rates of homeownership. El Paso County also had the highest rates of Black, Asian, and AIAN homeownership. Black households in El Paso County were more likely to own their homes than Black households in Colorado Springs.

Figure 3-16 Homeownership by Race, 2010

	White		Black		AIAN		Asian		Hispanic	
	Owner-	%	Owner-	%	Owner-	%	Owner-	%	Owner-	%
	occupied	Total	occupied	Total	occupied	Total	Occupied	Total	occupied	Total
Colorado	1,166,831	70.1%	31,370	43.5%	7,789	45.0%	30,059	62.7%	143,385	50.4%
El Paso County	133,012	69.4%	6,580	49.0%	1,065	48.4%	3,724	63.9%	12,992	50.0%
Colorado Springs	88,966	65.7%	4,070	40.7%	717	42.4%	2,626	60.8%	8,739	43.9%

Source: US Census Bureau ACS 2010 5 year estimates, B25003

⁶ Kathleen C. Engel and Patricia A. McCoy, "From Credit Denial to Predatory Lending: The Challenge of Sustaining Minority Homeownership," in <u>Segregation: The Rising Costs for America,</u> edited by James H. Carr and Nandinee K. Kutty (New York: Routledge 2008) p. 82.



Minority households in Colorado Springs, particularly Blacks and Hispanics, were less likely to be homeowners.

Almost 66% of White households in Colorado Springs were homeowners, compared to 40.7% of Black households, 43.9% of Hispanic households, and 42.4% of American Indian/ Alaska Native (AIAN) households. Asians had the second highest rate of 60.8%.

iv. Foreclosure Trends

According to stakeholders throughout Colorado Springs, there have been an overwhelming number of foreclosures in both the State and El Paso County due to the housing market crisis. The State's foreclosure rate in February 2012 was one in every 605 houses, while the national rate was one in every 637 houses.

El Paso County has been impacted by the foreclosure crisis, as the County had one of the highest foreclosure rates among counties throughout the State. In February 2012, one in every 597 homes was in foreclosure in the County.

Figure 3-17
Estimated Number of Foreclosure Filings by County, February 2012

County	Foreclosure Filings
Adams	431
Arapahoe	511
Denver	357
Douglas	197
Elbert	1
El Paso	419
Freemont	33
Jefferson	422
Park	13
Pueblo	152
Teller	21

Source: RealtyTrac.com, February 2012

Within El Paso County, Colorado Springs is one of the areas most affected by foreclosures. Yoder and Peyton, two areas which border Colorado Springs, have much lower rates of foreclosures than the City. In February 2012, there were 336 foreclosed properties in Colorado

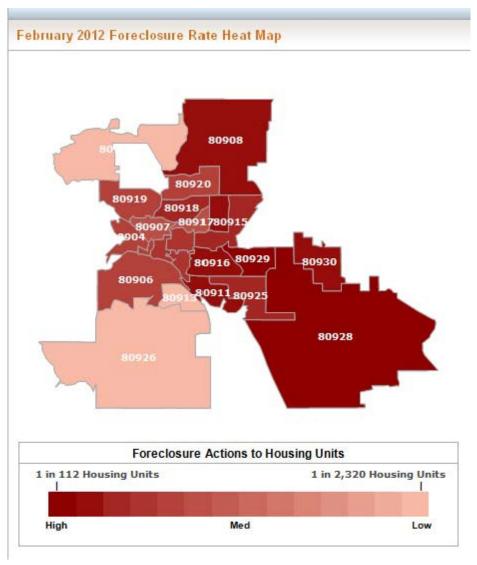




Springs, compared to 28 in Fountain, 27 in Peyton, and four in Yoder. In the City, one in every 638 units received a foreclosure filing in February 2012.

There are certain areas within the City with higher rates of foreclosures than other areas. For example, the zip codes of 80911, 80908, and 80916 have the highest rates of about 1 in every 340 housing units.

The following map from Realtytrac.com provides an illustration of foreclosure rates by zip code throughout Colorado Springs. High foreclosure rates are scattered in neighborhoods throughout the City and are not concentrated in any of the identified impacted areas.



Source: Realtytrac.com





El Paso County continues to experience one of the higher foreclosure rates when compared to other counties throughout Colorado, a state known for its generally high foreclosure rates.

According to Realtytrac.com, one in every 638 housing units in Colorado Springs was in foreclosure in February 2012, which was comparable to the State rate of one in every 605 housing units. There were 419 total foreclosure filings in El Paso County, of which more than three-quarters, 336 or 80.2%, were located in Colorado Springs.

The Tendency of the Protected Classes to Live in Larger Households V.

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, whether or not children are present, can raise fair housing concerns. If there are policies or programs that restrict the number of persons that can live together in a single housing unit, and members of the protected classes need more bedrooms to accommodate their larger household, there is a fair housing concern because the restriction on the size of the unit will have a negative impact on members of the protected classes.

In Colorado Springs, minorities were much more likely than Whites to live in families with three or more persons. Among individual minority groups, Some Other Race households had the highest rate of larger family households, at 76.4%. With the exception of Hispanics, all other minority groups across the City were also more likely to live in larger households. By comparison, 54% of White households were comprised of three or more persons.

Figure 3-18 Families with Three or More Persons, 2010

	Percent of Families with Three or More Persons					
Race	El Paso County	City of Colorado Springs				
White	55.9%	54.0%				
Black	66.1%	63.6%				
AIAN	65.3%	63.6%				
Asian	67.9%	66.7%				
Other Race	76.9%	76.4%				
Two or More Races	70.6%	68.5%				
Hispanic	54.7%	52.7%				

Source: US Census Bureau, Census 2010 (SF1, P28A, B, C, D, E, F, G, I)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In Colorado Springs, there are fewer options to rent a unit to





accommodate larger families. Just over 10% of the City's housing stock is comprised of rental units with three or more bedrooms. By comparison, over half, or 52.2%, of the housing stock consists of owner-occupied units with three or more bedrooms.

Figure 3-19
Housing Units by Number of Bedrooms, 2010

	Renter-O	ccupied Units	Owner-Occupied Units			
Size of Housing Units	Number of Units	Percent of Total Housing Units	Number of Units	Percent of Total Housing Units		
City of Colorado Springs						
0 to 1 Bedroom	20,238	12.5%	1,516	0.9%		
2 Bedrooms	23,805	14.7%	14,836	9.1%		
3 or More Bedrooms	17,104	10.5%	84,796	52.2%		
Total	61,147	37.7%	101,148	62.3%		

Source: U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates, B25042

There is a relative shortage of larger rental units in Colorado Springs.

Among the total housing stock in Colorado Springs, 10.5% was comprised of rental units with three or more bedrooms. By comparison, 52.2% of housing units were owner-occupied units with at least three bedrooms. An inadequate inventory of larger housing units can lead to overcrowding, increased wear and tear, and substandard living conditions for large families. This shortage will disproportionately impact minority families with larger households.

vi. Cost of Housing

Increasing housing costs are not a direct form of housing discrimination. However, a lack of affordable housing does constrain housing choice. Residents may be limited to a smaller selection of neighborhoods or communities because of a lack of affordable housing in those areas.

Median household income in Colorado Springs in 2000, when adjusted for inflation, was \$59,818. The citywide median housing value was \$186,272, while the median gross rent was \$826.

Between 2000 and 2010, median housing value increased almost 15% while median household income declined over 11% to \$53,074. During this same period, median gross rent declined by 5.4% from \$826 to \$781. Renting a housing unit has become a more affordable option in Colorado Springs over the last decade, while owning has become more expensive.

Colorado Springs, Colorado



By comparison, median household income in El Paso County increased 20% during the same period from \$46,844 to \$56,268. Median housing value in the County increased 16.4% while median gross rent declined almost 2%.

Figure 3-20 Trends in Median Housing Value, Rent, and Income, 2000-2010

Year	Geography	Median Household Income	Median Gross Rent	Median Housing Value
	Colorado	\$57,773	\$850	\$210,205
2000	El Paso County	\$46,844	\$832	\$186,272
	City of Colorado Springs		\$826	\$186,272
	Colorado	\$56,456	\$852	\$236,600
2010	El Paso County	\$56,268	\$817	\$216,800
	City of Colorado Springs	\$53,074	\$781	\$213,200
0/ Chanas	Colorado	-2.6%	0.3%	12.6%
% Change 2000-2010	El Paso County	20.1%	-1.8%	16.4%
2000 2010	City of Colorado Springs	-11.3%	-5.4%	14.5%

^{*}All numbers are in 2010 inflation-adjusted dollars

Survey (B25077, B25064, B19013) 2006-2010 American Community Survey (B15077, B25064, B19013), Calculations by Mullin & Lonergan Associates, Inc.

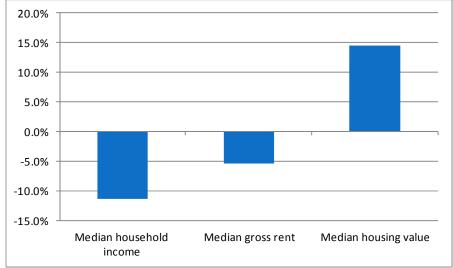
Between 2000 and 2010, median housing value in Colorado Springs increased 14.5% while real household income declined 11.3%.

During the same period, median gross rent decreased 5.4%. These trends indicate that housing costs associated with purchasing a home have become relatively more expensive. In contrast, it has become more affordable to rent in Colorado Springs.





Figure 3-21
Percent Change in Housing Affordability Factors, 2000-2010



Note: All numbers in the chart above are 2010 inflation-adjusted.

a. Rental Housing

The number of affordable rental units in Colorado Springs declined between 2000 and 2010. The number of units renting for less than \$500 fell 42%. During the same time, the number of units renting for \$1,000 or more per month increased from 7,477 to 16, 741, or almost 124%. The data does not provide a distinction between units that were actually lost from the inventory (through demolition, etc.) and those for which rents were increased. This figure should be analyzed with an understanding that \$500 was worth more in 2000 than in 2010, due to inflation. However, the price ranges, due to the categorical nature of the variable, cannot be adjusted for inflation.

Figure 3-22 Loss of Affordable Rental Housing Units, Colorado Springs, 2000-2010

Units Renting for:	2000	2010	Change 2000-2010			
Onics Kenting for.	2000	#		%		
Less than \$500	12,834	7,441	-5,393	-42.0%		
\$500 to \$699	18,313	15,690	-2,623	-14.3%		
\$700 to \$999	15,371	19,382	4,011	26.1%		
\$1,000 or more	7,477	16,741	9,264	123.9%		

Source: US Census Bureau, Census 2000 (SF3, H62); 2006-2010 American Community Survey (B25063)



^{7 \$500} in 2000 is worth \$623 in 2009 dollars, according to BLS inflation indices.



Colorado Springs lost 42% of the units renting for less than \$500 between 2000 and 2010. By comparison, the number of units renting for \$1,000 or more grew 124%.

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in each county in the U.S. for 2012. In El Paso County, the Fair Market Rent (FMR) for a two-bedroom apartment is \$756. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$2,805 monthly or \$33,657 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$14.54.

In Colorado, a minimum wage worker earns an hourly wage of \$7.64. In order to afford the FMR for two-bedroom apartment, a minimum wage earner must work 85 hours per week, 52 weeks per year. Or a household must include 2.1 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In El Paso County, the estimated mean wage for a renter is \$12.54. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 46 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.1 workers earning the mean renter wage in order to make the two-bedroom FMR affordable.

El Paso County renters earning the average hourly wage of \$12.54 must work 46 hours per week, 52 weeks per year to make the two-bedroom FMR affordable.

Thus, minimum wage earners and single-wage earning households cannot afford a housing unit renting for the HUD fair market rent in the County. This situation forces these individuals and households to double-up with others, or lease inexpensive, substandard units. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are \$698 in El Paso County and across Colorado. If SSI represents an individual's sole source of income, \$209 in monthly rent is affordable, while the FMR for a zero-bedroom/efficiency unit is \$534.





Individuals whose sole source of income is a \$698 monthly SSI check cannot afford to rent a zero-bedroom unit in El Paso County at the HUD fair market rent of \$534.

This situation disproportionately impacts persons with disabilities whose only source of income are their SSI checks.

b. Sales Housing

The sales market in Colorado Springs has mirrored recent national trends since the 2008 housing crisis, with a drop in total housing sales and median sales prices, and an increase in the average number of days on the market. Over the last decade in Colorado Springs, the highest number of sales transactions, almost 10,500, occurred in 2005 while the median sales price peaked at \$205,000 in 2007. Generally, the average number days on the market has continuously increased each year since 2000. In 2011, there were 2,490 sales transactions, including single-family and condominium units. The median sales price was \$179,900, a decline of 12.2% since the median sales price peaked at \$205,000 in 2007. The average number of days on the market in 2011 was the highest in over a decade at 89 days. Figure 3-23 provides a summary of the number of sales transactions, median sales prices, and the average number of days on the market in Colorado Springs from 2000-2011.

Figure 3-23 Housing Market Trends, 2000-2011

	Single-	Single-Family & Condo Units					
Year	Number of Sales	Median Sales Price	Average Days on Market				
2000	7,571	\$148,450	48				
2001	8,106	\$162,950	38				
2002	7,768	\$169,900	46				
2003	8,148	\$176,000	54				
2004	9,340	\$182,500	51				
2005	10,473	\$194,900	58				
2006	9,266	\$204,600	69				
2007	7,653	\$205,000	82				
2008	6,328	\$195,000	88				
2009	6,820	\$182,500	78				
2010	6,322	\$185,000	81				
2011	6,490	\$179,900	89				

Source: Pikes Peak Association of Realtors (PPAR)





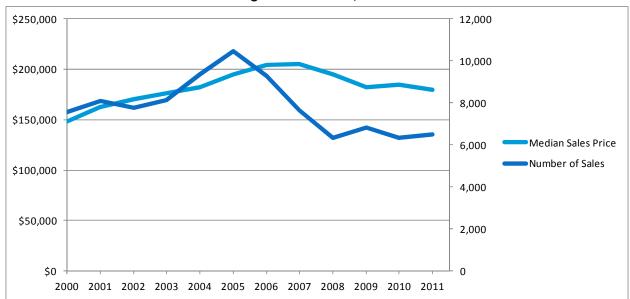


Figure 3-24 Housing Market Trends, 2000-2011

Trends in the Colorado Springs market show steady improvement and indicate the market is starting to stabilize. According to area Realtors interviewed as part of the Al process, the market in Colorado Springs still favors buyers. Demand is moderately increasing while supply is low. The selling price range for a starter home in Colorado Springs is generally under \$200,000. According to the Pikes Peak Association of Realtors (PPAR), over 60% of MLS sales in January 2012 were under \$200,000. In addition, the number of foreclosed properties has modestly decreased.

Figure 3-25 provides information on the price ranges of homes sold in 2000, 2006, and 2011 in Colorado Springs. Between 2000 and 2006, the number of total sales transactions increased 22.4% from 7,571 to 9,266 sales. Over the last five years, due in part to the housing crisis, the number of sales has declined almost 30% from 9,266 to 6,490.

In 2000, units selling for under \$160,000 represented over 59% of all units sold that year. By 2011, units in this same price range accounted for 39.5% of all units sold. On the opposite end of the spectrum, units selling for \$200,000 or more represented over 40% of all units sold in 2011, compared to just 24.4% in 2000.





Figure 3-25 Comparison of Units Sold, 2000-2011

2000		2000		2006		2011			
Price Range	Single- Family	Condo	Total	Single- Family	Condo	Total	Single- Family	Condo	Total
Under \$40,000	9	2	11	6	0	6	29	28	57
\$40,000 to \$59,999	25	50	75	15	28	43	125	44	169
\$60,000 to \$79,999	103	139	242	40	92	132	256	45	301
\$80,000 to \$99,999	425	100	525	81	84	165	315	49	364
\$100,000 to \$139,999	2,225	149	2,374	758	149	907	876	98	974
\$140,000 to \$159,999	1,233	26	1,259	803	105	908	668	31	699
\$160,000 to \$179,999	780	11	791	1,061	74	1,135	694	11	705
\$180,000 to \$199,999	441	3	444	1,106	45	1,151	555	10	565
\$200,000 to \$249,999	767	1	768	1,876	38	1,914	1,045	13	1,058
\$250,000 and over	1,082	0	1,082	2,882	23	2,905	1,593	5	1,598
TOTAL	7,090	481	7,571	8,628	638	9,266	6,156	334	6,490

Source: Pikes Peak Association of Realtors (PPAR)

It is possible to determine the affordability of the housing market for each racial or ethnic group in the City of Colorado Springs. To determine affordability (i.e., how much mortgage a household could afford), the following assumptions were made:

- The mortgage was a 30-year fixed rate loan at a 4.0% interest rate,
- The buyer made a 10% down payment on the sales price,
- Property taxes were based on a mill levy of 80.973 of the assessed value, which is 7.96% of market value,⁸
- Additional consumer debt (credit cards, car loans, etc) payments totaled \$500 per month, and
- The buyer's total debt payments (including principal, interest, taxes and insurance [PITI] and other consumer debt) equaled no more than 30% of gross monthly income.

Figure 3-26 details the estimated *maximum* affordable sales prices and monthly PITI payments for Whites, Blacks, Asians, AIANs, and Hispanics in the City. In 2011, Black, AIAN, and Hispanic households could not afford a home selling for the median sales price of \$179,900. By comparison, White households were able to afford a home selling for above the median sales price, with a maximum affordable purchase price of \$217,350. Asian households have a lower affordable purchase price than Whites, as Asians can afford a home selling for almost \$191,000, which is still above the median sales price. Black households have a lower affordable purchase price of \$124,250, while AIAN households earning median household income can afford a house selling

⁸ Mill levy rate used for this analysis was found at the El Paso County Assessor's Office website (www.land.elpasoco.com) for a property for sale on www.realtor.com for the median sales price of \$179,900 in zip code 80918. Property taxes vary by neighborhood and school district throughout the City.





for up to \$121,700. Hispanic households had the lowest possible maximum affordable purchase price of \$97,500. Notably, households in Colorado Springs earning the median household income of \$53,074 can afford a home selling for over \$200,000, which is above the median sales price. An income of \$49,201 was needed to purchase the median priced home in the City in 2011.

Figure 3-26
Maximum Affordable Purchase Price by Race/Ethnicity, 2011

	Median Household Income	Monthly Mortgage Payment				Maximum
		Mortgage Principal & Interest	Real Estate Taxes	Homeowner's Insurance & PMI	Total PITI Payment	Affordable Purchase Price
Colorado Springs Total	\$53,074	\$860	\$108	\$80	\$1,048	\$200,250
White Households	\$55,916	\$934	\$117	\$80	\$1,131	\$217,350
Black Households	\$40,463	\$533	\$67	\$80	\$680	\$124,250
AIAN Households*	\$40,059	\$523	\$65	\$80	\$668	\$121,700
Asian Households	\$51,468	\$820	\$102	\$80	\$1,002	\$190,750
Hispanic Households	\$36,014	\$419	\$52	\$80	\$551	\$97,500
2011 Median Sales Price: \$179.900						

^{*} Due to small sample size, the margin of error for the median household income estimate of American Indian/Alaska Natives is relatively large. Therefore, estimates should be evaluated with caution.

Sources: 2006-2010 American Community Survey (B19013, B19013A, B19013B, B19013I); Pikes Peak Association of Realtors (PPAR); Calculations by Mullin & Lonergan Associates, Inc.

While the median sales price has fallen almost 13% since peaking in 2007, Black, AIAN, and Hispanic households cannot afford a home selling at the median sales price of \$179,900.

In reality, a household income of \$49,701 is required to purchase the median priced home. Black households and AIAN households with median incomes equivalent to approximately 81.4% and 80.6%, respectively, of the income needed to purchase a home, are impeded from homeownership. In addition, Hispanic households earn only 73% of the income needed to purchase a home at the median sales price of \$179,900.





4. Evaluation of Fair Housing Profile

This section provides a review of the existence of fair housing complaints or compliance reviews where a charge of a finding of discrimination has been made. Additionally, this section will review the existence of any fair housing discrimination suits filed by the United States Department of Justice or private plaintiffs in addition to the identification of other fair housing concerns or problems.

Residents of Colorado Springs who experience perceived housing discrimination may seek recourse at a variety of levels. At the federal level, HUD investigates complaints on the basis of race, color, national origin, religion, sex, familial status, or disability. At the state level, the Colorado Civil Rights Division (CCRD) investigates complaints on the same bases, in addition to the state protected classes which include retaliation (for opposing a discriminatory practice), age, sexual orientation, ancestry, marital status, and creed.

A. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants may avoid confrontations with prospective landlords. Discriminatory practices can be subtle and may not be detected by someone who does not have the benefit of comparing his treatment with that of another home seeker. Other times, persons may be aware that they are being discriminated against, but they may not be aware that the discrimination is against the law and that there are legal remedies to address the discrimination. Finally, households may be more interested in achieving their first priority of finding decent housing and may prefer to avoid going through the process of filing a complaint and following through with it. According to the Urban Institute, 83% of those who experience housing discrimination do not report it because they feel nothing will be done. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

i. HUD's Office of Fair Housing and Equal Opportunity

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD processes complaints from persons regarding alleged violations of the Fair Housing Act. Between December 2002 and February 2012, FHEO received only two fair housing complaints involving properties in Colorado Springs. Of the two complaints filed in Colorado Springs during this period, one was filed in 2009 and the other was filed in 2011. The complaint from 2009 involved disability as the alleged basis for discrimination. A conciliation/settlement agreement was reached in March 2010 for the case, which involved failure to make a reasonable accommodation.

The complaint filed in 2011 resulted in a no cause determination. Issues involved with this complaint included failure to make a reasonable accommodation, discriminatory refusal to rent or negotiate for rental, and discrimination in the terms, conditions, or privileges related to rental. The alleged bases for discrimination were race and disability.

ii. Colorado Civil Rights Division

The majority of fair housing complaints are handled at the state level in Colorado, since the Colorado Civil Rights Division (CCRD) is a certified Fair Housing Assistance Program (FHAP) through HUD. CCRD collects complaint data at the county level. Between July 2006 and April 2012, a total of 62 housing complaints were filed in El Paso County.

Of the 62 complaints across El Paso County, the most common basis of alleged discrimination was disability, which was cited in 27 complaints, or 43.5%. An additional 17 complaints (27.4%) were related to race, nine (14.5%) were related to sex, and eight (12.9%) were related to





retaliation. Five (8%) complaints alleged discrimination on the basis of familial status. Several complaints alleged discrimination on multiple bases.

The following figure provides a summary of the alleged bases of housing discrimination complaints filed through CCRD.

Sexual Orientation Sex Retaliation Race National Origin/Ancestry **Marital Status** Familial Status Disability Religion Color 0% 10% 20% 30% 40% 50%

Figure 4-1
Alleged Bases of Discrimination Complaints filed through CCRD, 2006-2012

B. Patterns and Trends in Fair Housing Complaints

Disability was by far the most common alleged basis of discrimination across El Paso County, with almost 44% of CCRD complaints related to this issue. Both HUD complaints also involved disability as the alleged basis. Race and sex were also fairly common bases for complaint, but occurred far less often than disability-related allegations. Such a high number of complaints based on disability indicates a need for testing, particularly among rental units, and continued fair housing education among landlords to promote better understanding of the need to provide reasonable accommodations and allow reasonable modifications as established by federal and state fair housing acts.

Nationally, race is the primary basis for housing discrimination complaints. HUD, however, is finding that more complaints are being filed on the basis of disability. In El Paso County, complaints data indicate that discrimination related to disability is already the most prevalent type.





Disability was the primary basis for alleging housing discrimination across El Paso County.

This indicates a need for testing, fair housing education and outreach, and enforcement of fair housing laws among landlords, rental agents, and management companies.

CCRD's FY 2009-2010 Annual Report provides statewide statistics on housing discrimination complaints. In total, 89 housing discrimination complaints were filed in FY 2009-2010 across Colorado, a decrease from the number of cases filed in both FY 2008-2009 and FY 2007-2008. Disability, followed by race, was the most common basis for housing discrimination filed on the statewide level. Of the 89 housing complaints filed in FY 2009-2010, probable cause was determined in nine cases.

C. Existence of Fair Housing Discrimination Suit

There are no pending fair housing discrimination suits involving the City of Colorado Springs.

D. Determination of Unlawful Segregation

There are no unlawful segregation suits or court orders that have been filed and/or are pending related to the City of Colorado Springs.





5. Evaluation of Public Sector Policies

The analysis of impediments is a review of impediments to fair housing choice in the public and private sectors. Impediments to fair housing choice are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choices, or any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin. Policies, practices, or procedures that appear neutral on their face but which operate to deny or adversely affect the provision of housing to persons of a particular race, color, religion, sex, disability, familial status, or national origin may constitute such impediments.

An important element of the AI includes an examination of public policy in terms of its impact on housing choice. This section evaluates the public policies in the City of Colorado Springs to determine opportunities for furthering the expansion of fair housing choice.

A. Public and Assisted Housing

The Colorado Springs Housing Authority (CSHA) administers a public housing program and serves low income households within the City. The Housing Authority also administers Section 8 Housing Choice Vouchers in Colorado Springs as well as in neighboring Manitou Springs and in the unincorporated portions of El Paso County. Interviews were conducted with CSHA staff members in March 2012. In addition, CSHA was asked to complete a written Al questionnaire.

The following information was developed from stakeholder interviews, responses to the AI questionnaire completed by CSHA, and the analysis of policy documents provided by CSHA.

i. Public Housing Inventory and Demographics

CSHA is the largest affordable housing provider in Colorado Springs. CSHA's public housing inventory consists of approximately 705 units located in three developments across the City. Over 37% of the public housing units contain one bedroom. By comparison, 26.7% of public housing units are two-bedroom units, 22.8% are three-bedroom units, and 9.2% contain four or more bedrooms. The remaining 4% of public housing units in Colorado Springs are efficiency, zero-bedroom units. As of April 2012, there were 2,509 families on the waiting list for a CSHA unit. Figure 5-1 provides an overview of the public housing inventory in Colorado Springs. AMPs 1 and 2, a total of 429 units, are family housing units. In contrast, AMP 3 provides 276 units of elderly housing.

Figure 5-1
Public Housing Inventory, 2012

Development	Breakdown of Dwelling Units					
Name	0 BR	1 BR	2 BR	3 BR	4+ BR	Total Units
AMP 1		8	98	83	26	215
AMP 2		7	63	105	39	214
AMP 3	29	247				276
TOTAL	29	262	161	188	65	705

Source: Colorado Springs Housing Authority, 2012





Figure 5-2 contains information provided by CSHA on its current residents and applicants for public housing. The population currently living in CSHA units is predominantly White, with 486 White households accounting for more than 70% of the 684 total households. Black households represent 26.2% of current public housing residents in Colorado Springs. Almost half of current households are families with children (48.1%), and 34.5% include persons with disabilities.

The table also includes data on households on the waiting list for public housing. Over 2,500 families are waiting to be selected for only 705 units. While demographic and racial data were limited among this population, it is clear that Black households area overrepresented among those waiting for a public housing unit. Families with a disabled member comprise 35.6% of the waiting list, while families with children account for 50.3% and elderly households account for 12.4%. The public housing waiting list is currently closed.

Figure 5-2
Characteristics of Public Housing Residents and Applicants, 2012

	Current Residents		Waiting List Applicants	
Total households	684	100.0%	2,509	100.0%
Income level				
Extremely low income (30% or less of AMI)	536	78.4%	2,292	91.4%
Very low income (30.1% to 50% of AMI)	119	17.4%	206	8.2%
Low income (50.1% to 80% of AMI)	24	3.5%	8	0.3%
Household type*				
Families with children	329	48.1%	1,261	50.3%
Elderly	11	1.6%	310	12.4%
Families with disabilities	236	34.5%	894	35.6%
Race and ethnicity				
Black	179	26.2%	1,413	56.3%
White	486	71.1%	44	1.8%
Asian	11	1.6%	212	8.4%
Other race	14	2.0%	0	0.0%
Characteristics by bedroom size				
1 Bedroom	255	37.3%	1,252	49.9%
2 Bedroom	159	23.2%	698	27.8%
3 Bedroom	183	26.8%	444	17.7%
4 Bedroom	63	9.2%	110	4.4%
5+ Bedroom	0	0.0%	2	0.1%

^{*} Categories are not mutually exclusive.

Note: Totals do not match due to inavailability of some data for some applicants or residents.

 ${\it Source: Colorado Springs Housing Authority, 2012}$





Families with children and families with disabilities are disproportionately represented in public housing, among those on the waiting list as well as those currently housed in CSHA units.

Section 504 of the Rehabilitation Act of 1973 and 24 CFR Part 8 requires that 5% of all public housing units be accessible to persons with mobility impairments. Another 2% of public housing units must be accessible to persons with sensory impairments. In addition, an Authority's administrative offices, application offices, and other non-residential facilities must be accessible to persons with disabilities. The Uniform Federal Accessibility Standards (UFAS) is the standard against which residential and non-residential spaces are judged to be accessible. The regulations at 24 CFR 8.26 and HUD PIH Notice 2002-1 describe the obligation of PHAs to provide UFAS-accessible units at each project site and in a sufficient range of bedroom sizes. The intent of requiring the distribution of UFAS-accessible units in a variety of bedroom sizes and in a variety of locations is to ensure that people with disabilities have choices of living arrangements comparable to those of other families eligible for assistance under the same program.

Information collected during the development of the AI indicated that the Housing Authority was recently audited extensively by HUD with a focus on accessibility compliance with the Americans with Disabilities Act (ADA) of 1990. CSHA last completed a Section 504 needs assessment in January 2011 to determine whether its units and facilities were adequately accessible to persons with mobility and sensory impairments. CSHA currently has a Section 504 Transition Plan in place to meet the 5% and 2% requirements by the end of 2015. This plan outlines specific steps and measures to be taken by the Authority and its architect to attain Section 504 and UFAS compliance at each of its public housing communities and at its offices.

The Colorado Springs Housing Authority (CSHA) should continue to implement its 2011 Section 504 Needs Assessment and Transition Plan in order to achieve compliance with accessibility regulations by 2015.

In addition to its public housing inventory, the Housing Authority has generated approximately 853 affordable housing units through public-private partnerships, tax credits, and other sources. These projects were primarily directed towards families earning below 50% of the area median income (AMI) and were comprised of several handicapped accessible units. CSHA has always maintained a scattered-site policy for development.

ii. Admissions and Continued Occupancy Plan (ACOP)

The Admission and Continued Occupancy Plan (ACOP) includes a PHA's policies on the selection and admission of applicants from a waiting list, screening of applicants for tenancy, occupancy standards and policies, informal review/grievance hearing procedures, rent

Colorado Springs, Colorado



determinations, and procedural guidelines on conducting inspections, to name a few. CSHA's ACOP was reviewed from a fair housing perspective to ensure that members of the protected classes are afforded adequate housing choices. Specifically, the ACOP was reviewed to determine the presence of the following policies and whether these policies were in compliance with the Fair Housing Act:

- Fair housing and equal opportunity non-discrimination clause that provides a list of the protected classes within a PHA's jurisdiction,
- Reasonable accommodation policies for persons with disabilities (relative to the application process, unit selection, and grievance procedures),
- Accommodations for persons with limited English proficiency (LEP) and a list of services a PHA is willing to provide such persons,
- Definition of "family" and whether or not it includes non-traditional households with unrelated individuals,
- Tenant selection policies and waiting list preferences to determine whether members of the protected classes are given any special consideration or if the local preferences restrict their housing choice,
- Accommodations for applicants who refuse a unit offered due to a disability or other special circumstance,
- Transfer policies and procedures and whether such policies impede housing choice for members of the protected classes,
- Pet policy accommodations for persons with disabilities that require service or assistance animals, and
- Grievance policies and procedures.

CSHA's ACOP begins with policies on fair housing and non-discrimination. CSHA states that it shall not discriminate on the basis of race, color, sex, religion, age, familial status, disability, marital status, sexual orientation, or national origin. These protected classes are consistent with the Fair Housing Act and the Colorado Civil Rights Act. When presented with fair housing complaints, the Housing Authority will attempt to remedy any complaints. CSHA provides the appropriate housing discrimination forms and refers complainants to the nearest HUD FHEO office.

With regard to reasonable accommodation, CSHA encourages families to submit requests for reasonable accommodations in writing using a reasonable accommodation request form. However, written requests are not required. CSHA will consider an accommodation any time a reasonable accommodation is needed, regardless of whether or not a formal request has been submitted. The Housing Authority will provide assistance to families that are unable to complete the written request form.

Before providing a reasonable accommodation, CSHA must determine that the person meets the definition of a person with a disability and that the accommodation will enhance the family's access to CSHA's programs and services. Requests for accommodations are assessed on a case-by-case basis. After a request for an accommodation is presented, CSHA will respond, in writing, within 10 business days. If CSHA denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal CSHA's decision through an informal hearing or the grievance process.

With regard to accommodations for persons with limited English proficiency (LEP), CSHA is willing to provide oral interpretation and written translation services to public housing residents





and applicants, including parents and family members. CSHA's ACOP states that, where feasible, the Housing Authority will train and hire bilingual staff to be available to act as interpreters and translators. The ACOP also states that CSHA will standardize its various housing applications and documents. It is CSHA's policy to provide written translation of documents for each eligible LEP language group that constitutes 5% or 1,000 persons, whichever is less, of the population of persons eligible to be served by the Housing Authority's programs. If translation of other documents is necessary, it will be provided by CSHA orally. Persons with LEP are also allowed to use their own interpreter or translator, at their own expense, including family members or friends.

To be eligible for admission into the public housing program, an applicant must qualify as a family. A family can be a single person or a group of persons. CSHA has adopted HUD's definition of family and added on to it to so it is more inclusive. CSHA's definition of family is as follows:

- A family with a child or children,
- Two or more elderly or disabled persons living together,
- One or more elderly or disabled persons living with one or more live-in aides,
- A single person, and
- Two or more individuals who are not related by blood, marriage, adoption, or
 other operation of law but who either can demonstrate that they have lived
 together previously or certify that each individual's income and other
 resources will be available to meet the needs of the family.

The inclusion of two or more individuals not related by blood, marriage, adoption, or other course of law in the definition of family suggests that non-traditional households with unrelated members may live in CSHA units.

Public notices announce the opening and closing of the waiting list for CSHA housing. Such notices appear in a local newspaper of general circulation, minority media, and other suitable media outlets. The Gazette Telegraph is listed as an example of a suitable media outlet in the ACOP. The policy does not provide for any other means of outreach that would notify those who cannot or do not read newspapers, such as outreach to broadcast media, publications distributed to social service agencies who could refer clients, or posting in locations frequented by members of the protected classes.

CSHA maintains a single, community-wide waiting list for its various public housing units. The waiting list closes when the estimated wait period reaches 24 months. Applicants are placed on the waiting list according to CSHA's preferences and the date and time their completed application was received. CSHA has the following local preferences:

- Preference for working families, in which the head, spouse, co-head, or sole
 member is employed and working at least 20 hours per week. Elderly
 households and persons with disabilities are also granted the working
 preference.
- Preference for *residents* of Colorado Springs, including one who resides, is employed, or has been hired for employment within the City.
- Families, persons with disabilities, and the elderly have priority over a single person.

When selecting applicants from the waiting list, CSHA matches the characteristics of the available unit (unit size, accessibility, and unit type) to the applicants on the waiting list.





CSHA has adopted a "three offer plan" for offering units to applicants. Applicants are offered a unit in the location with the highest number of vacancies. If the offer is rejected, the applicant will be offered a suitable unit in the location with the second highest number of vacancies. If that unit is rejected, CSHA will make a final offer in the location with the third highest number of vacancies.

Applicants may refuse to accept a unit offer for "good cause." Good cause includes situations in which the applicant is willing to move but cannot do so at the time of the unit offer, or the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc. In the case of a unit refusal for good cause, the applicant will not be removed from the waiting list. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

- Inaccessibility to employment, education, or job training, children's day care, or educational programs for children with disabilities,
- Temporary hospitalization or recovery from illness of the principal household member or other household members, including live-in aides,
- Inappropriateness of the unit for an applicant's disabilities, and
- Demonstration that accepting the offer would place a family member's life, health, or safety in jeopardy.

CSHA defines three types of transfers: emergency transfers, CSHA required transfers, and transfers requested by tenants. Emergency transfers involve conditions that pose an immediate threat to the life, health, and safety of residents. If a transfer is necessary because of maintenance conditions, CSHA will bear the costs of temporary accommodations long-term transfers, including packing, moving, and unloading. CSHA-required transfers are another type of unit transfer. Types of transfers that may be required by CSHA include transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for demolition, disposition, revitalization, or rehabilitation, and emergency transfers due to maintenance issues. The Authority will bear the reasonable costs of transfers that it requires, except that residents will be required to bear the cost of occupancy standards transfers. The types of requests for transfers from tenants that CSHA will consider are limited to requests for transfers to alleviate a serious or life threatening medical condition, transfers due to a threat of physical harm or criminal activity, reasonable accommodation, transfers to a different unit size as long as the family qualifies for the unit according to CSHA's occupancy standards, and transfers to a location closer to employment. With the exception of tenant requests for a transfer as a reasonable accommodation, residents are obligated to bear the costs of the transfer they request.

CSHA places limitations and requirements on pet ownership and the types of pets permitted within its facilities, but states that the policy does not apply to animals that are used to assist persons with disabilities. For an animal to be excluded from the pet policy and be considered an assistance animal, CSHA requires that a person with a disability reside in the household and the family must request, and CSHA approve, a reasonable accommodation.

Informal hearings are offered to applicants for the purpose of disputing denials of admission. A request for an informal hearing must be made to CSHA in writing within 10 business days from the date of CSHA's notification of denial of admission. CSHA will schedule and send written notice of the information hearing within 10 business days of the family's request. Informal hearings are conducted by a person other than the one who made the decision under review or a subordinate of that person, known as the Hearing Officer. The Hearing Officer makes the final decision as to whether admission should be granted or denied.

CSHA grants opportunities to residents for grievance hearings for all lease terminations, regardless of cause. Prior to scheduling a hearing, informal settlement of grievances is available





to residents. CSHA accepts requests for an informal settlement of a grievance either orally or in writing, to the PHA office within 10 business days of the grievable event. Within 10 business days of receipt of such request, CSHA will arrange a meeting with the tenant at a mutually agreeable time. If the dispute cannot be handled through an informal settlement, the resident can submit a request for a grievance hearing to CSHA within 10 business days of the tenant's receipt of the informal settlement. The Hearing Officer will schedule the grievance hearing within 10 business days of receiving the written request for the hearing. CSHA's grievance hearings are conducted by a single Hearing Officer, usually the Supervisor of Occupancy, the Client Services Specialist, or another person appointed by the Executive Director of CSHA. The Hearing Officer issues a written decision to the family and CSHA no later than 10 business days after the hearing.

iii. Section 8 Housing Choice Voucher Program

In addition to administering the public housing program, CSHA also administers the Section 8 Housing Choice Voucher Program across the City, in nearby Manitou Springs, and in the unincorporated areas of El Paso County. These three formerly separate Section 8 jurisdictions were consolidated into one jurisdiction, operated by CSHA, on October 1, 2011.

CSHA provided data on its current voucher holders as well as applicants on the waiting list, as described in Figure 5-3. More than two-thirds of voucher holders are White while 30% are Black. Over 56% of voucher holders are families with children while almost 40% are families with disabilities. Elderly persons comprise 17.1% of current voucher holders. Almost 85% of voucher holders were extremely low income, earning 30% or less of AMI. Over one-third of voucher holders live in a two-bedroom unit, while another 45.8% live in units with three bedrooms or more.





Figure 5-3
Characteristics of Voucher Holders and Applicants, 2012

	Current Voucher Holders		Waiting List Applicants	
Total households	2,538	100.0%	3,521	100.0%
Income level				
Extremely low income (30% or less of AMI)	2,143	84.4%	3,009	85.5%
Very low income (30.1% to 50% of AMI)	341	13.4%	447	12.7%
Low income (50.1% to 80% of AMI)	44	1.7%	54	1.5%
Household type*				
Families with children	1,437	56.6%	904	25.7%
Elderly	435	17.1%	243	6.9%
Families with disabilities	1,007	39.7%	408	11.6%
Race and ethnicity				
Black	760	29.9%	1,082	30.7%
White	1,731	68.2%	1,776	50.4%
Asian	50	2.0%	73	2.1%
Other race	60	2.4%	221	6.3%
Characteristics by bedroom size				
0 Bedroom	13	0.5%	4	0.1%
1 Bedroom	449	17.7%	190	5.4%
2 Bedroom	913	36.0%	133	3.8%
3 Bedroom	762	30.0%	3,160	89.7%
4 Bedroom	350	13.8%	34	1.0%
5+ Bedroom	51	2.0%	0	0.0%

^{*} Categories are not mutually exclusive.

Note: Totals do not match due to inavailability of some data for some applicants or residents.

Source: Colorado Springs Housing Authority, 2012

There are currently over 3,500 applicants on the Section 8 Housing Choice Voucher waiting list. Extremely low income households comprise 85% of the list, the largest share by income level. Household type data was limited for applicants on the waiting list, but information on unit size indicates that an overwhelming majority of households on the waiting list, over 90%, are in need of a three-bedroom unit or larger. The waiting list for vouchers is currently closed. At a turnover rate estimated at 15 per month, it will take more than 19 years to accommodate the entire waiting list of families. In addition to the Section 8 Housing Choice Voucher Program, the Housing Authority utilizes CDBG and HOME funds from the City for a Tenant Based Rental Assistance (TBRA) Program to supplement the Section 8 program.





Families with children and families with disabilities are disproportionately represented in Section 8 housing, among those on the waiting list as well as those currently utilizing vouchers.

There is a need for larger rental units consisting of three bedrooms or more, as demonstrated by current voucher holders and the Section 8 waiting list.

According to recent interviews with CSHA, the Housing Authority recently increased its payment standard to 110% to keep up with rent increases in the local market and for households comprised of persons with a disability. Adjusting the payment standard for persons with disabilities is performed on a case-by-case basis.

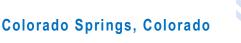
The rental housing market is very volatile as a result of the presence of thousands of military households. Large deployments/returns empty and fill rental units on an irregular basis for prolonged periods, causing steep fluctuations in vacancy rates. This situation makes it difficult for the Housing Authority to adequately house recipients of Section 8 Housing Choice Vouchers when the market is tight and rents exceed local FMRs.

iv. Housing Choice Voucher Portability

CSHA advises voucher holders of their portability options and cooperates with agencies throughout the Pikes Peak region. Currently, there are 335 voucher holders from other jurisdictions that have selected to "port in" to CSHA's jurisdiction (Colorado Springs, Manitou Springs, and unincorporated El Paso County) from other jurisdictions. Of the 335 port-in vouchers, almost two-thirds are White households, 30% are Black households, and 14% are Hispanic households. By comparison, there are currently 30 voucher holders who have selected to "port out" to other jurisdictions from CSHA's jurisdiction. Of the 30 port-out vouchers, over half are White households while 43.3% are Black and 16.7% are Hispanic.

v. Housing Choice Voucher Mobility

Map 7 on the following page illustrates the distribution of CSHA voucher households across the City. Overall, voucher holders are uniformly distributed throughout Colorado Springs and are not concentrated in impacted areas. Some vouchers are located within existing multi-family structures, so each dot may not necessarily represent only one household.





vi. Housing Choice Voucher Administrative Plan

The Housing Choice Voucher Administrative Plan (Admin Plan) is the policy and procedure manual that includes the regulations governing this housing assistance program. Generally, the Admin Plan includes policies that describe the selection and admission of applicants from the PHA waiting list, the issuance and denial of vouchers, occupancy policies, landlord participation, subsidy standards, informal review/hearing procedures, payment standards, the Housing Quality Standard (HQS) inspection process, and reasonable rents, to name a few. CSHA's Admin Plan was reviewed from a fair housing perspective to ensure that members of the protected classes are afforded adequate housing choices. Specifically, the Plan was reviewed to determine the presence of the following policies and whether these policies were in compliance with the Fair Housing Act:

- Fair housing and equal opportunity non-discrimination clause that provides a list of the protected classes within a PHA's jurisdiction,
- Reasonable accommodation policies for persons with disabilities (in the application process, unit search and selection, and grievance process),
- Accommodations for persons with limited English proficiency (LEP) and a list of services a PHA is willing to provide such persons,
- Definition of "family" and whether or not it includes non-traditional households with unrelated individuals,
- Tenant selection policies and waiting list preferences to determine whether members of the protected classes are given any special consideration or if the local preferences restrict their housing choice,
- Recruitment of landlords who own properties in non-impacted areas,
- Portability policies and procedures and their effect on members of the protected classes,
- Higher payment standards for units that accommodate persons with disabilities, and
- Grievance policies and procedures.

The Admin Plan begins general policies on fair housing, non-discrimination, reasonable accommodation, and accommodations for persons with LEP that are practically identical to those published in CSHA's ACOP. Additionally, the Admin Plan outlines steps the Housing Authority will take to ensure that persons with vision and hearing impairments have access to Section 8 programs. To meet the needs of persons with hearing impairments, CSHA will provide communication through Relay Colorado or an interpreter. Large print and audio versions of key program documents will be made available to persons with vision impairments upon request.

With regard to the definition of family, the Admin Plan defines family types in a way identical to the description in the ACOP, allowing non-traditional households consisting of unrelated individuals to exist as a family unit.

CSHA maintains a single waiting for its Section 8 Housing Choice Voucher Program. A family that applies for assistance through the voucher program will be offered the opportunity to be placed on the waiting list for other programs offered by CSHA, provided they qualify for these programs and the programs' waiting lists are open. Policies related to the advertising of the opening and closing of the Section 8 waiting list are identical to those described in the ACOP.

Currently, CSHA's local preferences for the voucher program are as follows:





- A family that has been terminated from its voucher program due to insufficient program funding,
- A family that lives or works in El Paso County, and
- An eligible household whose members have agreed to testify in a court case and whose safety, health, or well-being have been threatened as a result of their willingness to testify.

Families are selected from the waiting list based on the targeted funding or selection preferences for which they qualify and in accordance with CSHA's hierarchy of preferences. With each targeted funding or preference category, families will be selected either on a first-come, first-served basis according to the date and time their completed application was received or by a drawing of random choice such as a lottery.

CSHA's schedule of payment standards is used to calculate housing assistance payments for voucher families. Payment standards are reviewed on an annual basis, usually when the FMRs are established, to determine and evaluate their appropriateness. A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval is submitted. The family must document the need for the exception. In order to approve the exception, or request an exception from HUD, CSHA must determine that:

- There is a shortage of affordable units that would be appropriate for the family,
- The family's total tenant payment would otherwise exceed 40% of adjusted monthly income, and
- The rent for the unit is reasonable.

In an effort to recruit landlords that own properties outside of impacted areas, CSHA provides prospective landlords with a handout that contains a description of the program and which invites them to upcoming landlord meetings hosted by the Housing Authority. CSHA also participates in community-based organizations comprised of private property owners and managers and develops working relationships with these organizations and members.

Portability is known as the process by which a family obtains a voucher from one public housing authority (PHA) and uses it to lease a unit in the jurisdiction of another PHA. A family must live in CSHA's jurisdiction with voucher assistance for at least 12 months before requesting portability. CSHA will consider exceptions to this policy for purposes of reasonable accommodation.

CSHA offers an informal review to applicants for whom voucher assistance is being denied. Denial of assistance includes: denying listing on the PHA waiting list, denying or withdrawing a voucher, refusing to enter into a HAP contract or approve a lease, and/or refusing to process or provide assistance under portability procedures. A request for an informal review must be made in writing and delivered to CSHA either in person or by first class mail no later than 10 business days from the date of CSHA's denial of assistance. Within 10 business days of receiving the family's request, CSHA will send written notice of the informal review.

The informal review must be conducted by a person other than the one who made or approved of the decision under review, or a subordinate of that person. The applicant must be provided with an opportunity to present written or oral objections. The person conducting the review will make a recommendation to CSHA but CSHA is ultimately responsible for making the final decision as to whether assistance will be granted or denied. CSHA will notify the applicant of the final decision within 10 business days of the informal review.

Informal hearings are offered to Housing Choice Voucher program participants for certain determinations made by CSHA relating to the individual circumstances of a participant family.





When CSHA makes a decision that is subject to informal hearing procedures, CSHA will inform the family of its right to an informal hearing at the same time it informs them of the decision. Requests for an informal hearing must be made in writing and must be delivered to CSHA within 10 business days from the date of the PHA's decision or notice to terminate assistance.

CSHA then schedules and sends written notice of the informal hearing to the family within 10 business days of the family's request. Informal hearings are conducted by a person approved by CSHA's Executive Director. The Hearing Officer will not be the person who made or approved the decision or a subordinate of this person. The Hearing Officer must issue a written decision no later than 10 business days after the hearing.

B. Policies Governing Investment of Federal Entitlement Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. The decline in federal funding opportunities for affordable housing for lower income households has shifted much of the challenge of affordable housing production to state, county, and local government decision makers.

The recent Westchester County, NY fair housing settlement also reinforces the importance of expanding housing choice in non-impacted areas (i.e. areas outside of concentrations of minority and LMI persons). Westchester County violated its cooperation agreements with local units of government which prohibit the expenditure of CDBG funds for activities in communities that do not affirmatively further fair housing within their jurisdiction or otherwise impede the Urban County's action to comply with its fair housing certifications. As a CDBG and HOME entitlement community, the City of Colorado Springs is similarly bound to ensure that its entitlement funds are applied in ways that are consistent with this aim.

The City of Colorado Springs receives federal entitlement funds from HUD in the form of:

- The Community Development Block Grant (CDBG) program, the primary objective of which
 is to develop viable urban communities by providing decent housing, a suitable living
 environment, and economic opportunities, principally for persons of LMI levels. For fiscal
 year 2012, HUD allocated \$2,324,424 in formula grant CDBG funds to Colorado Springs, a
 0.14% decrease from its fiscal year 2011 allocation.
 - CDBG funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.
- The HOME Investment Partnerships Program (HOME), which provides federal funds for the
 development and rehabilitation of affordable rental and ownership housing for low and
 moderate income households. For fiscal year 2012, HUD allocated \$962,774 in formula
 grant HOME funds to Colorado Springs, slashing over one-third of the City's 2011 HOME
 allocation of \$1,476,277.
 - HOME funds can be used for activities that promote affordable rental housing and homeownership by low and moderate income households, including reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.

The following housing-related objectives were listed in the City's FY 2010-2014 Consolidated Plan:

- Support local affordable housing development and preservation,
- Increase the supply of affordable housing (both rental and homeownership),





- Support a housing continuum that includes support to qualified agencies that provide emergency, transitional, permanent supportive, and permanent affordable housing opportunities in the community, and
- Increase funding opportunities as appropriate for affordable and accessible housing for special needs populations.

The City's FY 2012 Annual Plan states that the City will continue to use CDBG and HOME funds to meet the objectives listed above. In addition, a portion of the City's Private Activity Bond capacity is set aside for affordable housing development each year. This project is implemented in conjunction with the Housing Authority.

Specific housing objectives listed in the City's FY 2012 Annual Plan are as follows:

- Assist homeowners to make repairs or to rehabilitate existing owner-occupied housing units to address code issues, weatherization, security issues, accessibility, etc.,
- Assist income eligible households into homeownership through the City's partnership with the Rocky Mountain Community Land Trust,
- Promote the acquisition and rehabilitation of multi-family affordable units and possible conversion of multi-family units to lower-density occupancy with ownership opportunities,
- Assist owners of rental properties for lower income households with preference for projects that assist lower income households with special needs or homelessness, and
- Assist homeowners and tenants to correct emergency needs such as water heat replacement, furnace replacement, roofing, and plumbing through the City's partnership with the Energy Resource Center.

The City accomplishes its various housing goals and objectives through several programs, including the First Time Homeownership Program, the Emergency Repair Program, the Housing Rehabilitation Program, the Barrier Removal Program, and the Tenant Based Rental Assistance (TBRA) Program. The City reported in its FY 2010 Consolidated Annual Performance and Evaluation Report (CAPER) that 94 units were subsidized through the TBRA program in conjunction with the Colorado Springs Housing Authority. In addition, 75 single-family housing units were rehabilitated through the City's CDBG (55) and HOME (20) programs in FY 2010. As part of the City's Housing Rehabilitation Program, nine housing units were assisted through the Barrier Removal Program and three units were rehabilitated for persons with disabilities.

In addition to the aforementioned housing programs, the City also uses CDBG funds to support the Capital Improvement Program, which funds infrastructure improvements in the City, and for public services that focus on human service needs. Infrastructure improvements are concentrated in neighborhood strategy areas. The City's public service program is managed in partnership with the local United Way. CDBG funds are also used to provide support for neighborhood organizations in the City's designated neighborhood strategy areas and to fund two code enforcement officers who provide services in the strategy areas.

There is no line item in the CDBG Program budget for pure fair housing activities. The provision of fair housing services is eligible as either a program administration cost, per 24 CFR 570.206, or as a public service, per 24 CFR 570.201(e). Such services might include making all persons aware of the range of available housing options, enforcement, education, outreach, avoiding undue concentrations of assisted persons in areas with many low- and moderate-income persons, testing, and other appropriate activities.





There is no line item in the City's CDBG Program budget for pure fair housing activities.

In order to provide fair housing education and outreach services, the City should allocate 1% to 3% of its yearly CDBG entitlement grant to pure fair housing activities, such as education, outreach, training, and enforcement.

The City partners with El Paso County to carry out both single-family and multi-family revenue bond programs that have financed hundreds of affordable housing units over the years. Through this program, homebuyers earning between 110% and 115% of median income can benefit from a mortgage offering 3.4% interest and only a 3% downpayment.

The Rocky Mountain Community Land Trust has assisted over 190 lower income homebuyers to purchase single-family housing units in the City by writing down the cost of land. The homebuyer assumes a mortgage on the house only. The Trust provides up to \$33,000 for the purchase of a home in Colorado Springs.

Generally, the high cost of housing is an impediment to affordable housing developers and ultimately lower income members of the protected classes as well. For example, the Pikes Peak Habitat for Humanity recently paid \$59,000 to acquire a quarter-acre lot in the City.

i. Project Proposal and Selection

As the overall governing and management body of Colorado Springs, City Council is ultimately responsible for federal entitlement programs administered by the City. The lead agency in the planning and administration of these programs is the Housing Development Division (HDD). HDD compiles the Five-Year Consolidated Plan, which establishes policies and priorities to govern entitlement spending, and administers the programs and activities funded with CDBG and HOME funds.

According to HDD staff, the City has long-implemented a common scattered site approach to affordable housing in Colorado Springs. The City, the Housing Authority, and several housing providers mentioned this policy during the AI stakeholder interview process. However, the City does not have a formal written policy in place to guide affordable housing investments.

HDD accepts new construction applications on a first-come, first-served, rolling basis. Over the last few years, the City has started to identify preferred projects but nothing has been formally written into a policy nor has such a policy formally been adopted by the City. While the City has had a scattered-site approach to new affordable housing development for several years, HDD should formalize a written policy including objective evaluation criteria for the selection of affordable housing proposals.







ii. Site and Neighborhood Standards

Recipients of HOME funds are required to administer their program in compliance with the regulations found at 24 CFR 983.6(b), known as the Site and Neighborhood Standards. These standards address the site location requirements for newly constructed rental units financed with HOME funds.

Site selection for HOME-assisted construction of new rental units must comply with several standards, including among other things, promoting greater choice of housing opportunities and avoiding undue concentration of assisted persons in areas containing a high concentration of LMI persons. With few exceptions, site selection must include a location that is not in an area of minority concentration.

Currently, HDD has no formal policy outlining methods of demonstrating each HOME-assisted project's compliance with the required site selection regulations.



These requirements should be incorporated as part of the application review and approval process for all applicable HOME-assisted projects. All housing providers, builders, and developers should receive a copy of this policy as part of the HOME application package. HUD's site and neighborhood standards should also be incorporated into written agreements with developers, sub-recipients, and CHDOs. Such a policy will facilitate the City's goals toward affirmatively furthering fair housing by expanding housing choice outside of impacted areas.

iii. Affirmative Marketing Policy

The City is federally required to adopt affirmative procedures and requirements for all CDBG- and HOME-assisted housing with five or more units. Such a policy should include:

- Methods of informing the public, owners, and potential tenants about fair housing laws and local policies,
- A description of what the owners and/or the City will do to affirmatively market housing assisted with CDBG and HOME funds,
- A description of what the owners and/or the City will do to inform persons not likely to apply for housing without special outreach,
- Maintenance of records to document actions taken to affirmatively market CDBG- and HOME-assisted units and to assess marketing effectiveness, and
- A description of how efforts will be assessed and what corrective actions will be taken when requirements are not met.

Currently, the City does not have a formal affirmative marketing policy in place. However, HDD does require that all CDBG- and HOME-assisted projects with five or more units complete the Affirmative Fair Housing Marketing (AFHM) Plan – Multifamily Housing form approved by HUD, or





form HUD-935.2A. In addition, the following language is included in HDD's Affordable Housing contracts:

"All marketing and advertising efforts by the Agency must contain an equal housing opportunity logotype, statement, or slogan. In addition, no words, phrases, symbols, or forms which indicate preference for race, religion, sex, handicap, familial status, or national origin may be used by the Agency."

The City should adopt a formal affirmative marketing policy that contains information regarding specific marketing, record-keeping, monitoring, and compliance requirements. The policy should also include appropriate action that will be taken for non-compliance.



The City requires CDBG- and HOME-assisted projects of five or more units to submit the HUD-approved AFHM Plan but does not currently have a formal affirmative marketing policy in place.

Developing a stand-alone affirmative marketing policy that includes specific requirements for marketing, record-keeping, and non-compliance would ensure that developments comply with affirmative marketing regulations on an ongoing basis.

iv. Section 3 Plan

Section 3 of the HUD Act of 1968 requires that wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities must be given to local public housing residents and low- and very-low income persons who live in the metropolitan area where the assisted project is located. The policy is intended to direct the employment and other economic opportunities created by federal financial assistance for housing and community development programs toward low- and very-low income persons, particularly those who are recipients of government assistance for housing. The overall intent of the program is to provide job training opportunities for lower income persons in order to expand housing choice for them.

Section 3 is the legal basis for providing jobs for residents and awarding contracts to Section 3 businesses, which include businesses that are at least 51% owned by Section 3 residents, whose permanent, full-time employees include at least 30% current Section 3 residents, or businesses that commit to subcontract at least 25% of the dollar award to a Section 3 business concern. The opportunities provided can include job training, employment, or contracts.

Recipients of federal assistance are required, to the greatest extent feasible, to provide all types of employment opportunities to low- and very-low income persons, including seasonable and temporary employment, as well as long-term jobs. HUD receives annual reports from recipients, monitors the performance of contractors, and investigates complaints of Section 3 violations,



⁹ Low-income is defined as 80% or below the area median income; very-low income is defined as 50% or below.



examining employment and contract records for evidence of actions taken to train and employ Section 3 residents and to award contracts to Section 3 businesses.

The City of Colorado Springs' Draft Section 3 Compliance Plan was reviewed as part of this analysis. The Plan applies to community development and housing assistance projects which are provided by HDD via Section 3 covered assistance. The Plan states that a Section 3 covered project involves the construction or rehabilitation of housing (including reduction of lead-based paint hazards), other public construction such as street repair and sewage line repair or installation, and façade improvements.

The Plan establishes funding thresholds, or minimum dollar amounts, that trigger Section 3 requirements. For sub-recipients of CDBG or HOME funds, the funding threshold is \$200,000. For contractors and subcontractors, the threshold is \$100,000 (both the assistance provided and the contract or subcontract exceed \$100,000).

Numerical goals are also outlined in the Plan. The City's training and employment goal is to employ Section 3 residents at 30% of the aggregate number of new hires required as the result from the Section 3 covered project for each year over the duration of the project. If numerical goals are not reached by sub-recipients, contractors, or subcontractors, HDD requires them to demonstrate that they made a "good faith effort" in achieving the numerical goals.

Each contractor and subcontractor that meets the threshold requirements may demonstrate compliance with the requirements of Section 3 by committing to award Section 3 business concerns:

- At least 10% of the total dollar amount for all Section 3 covered contracts for building trades work arising in connection with housing construction and other public construction, and
- At least 3% of the total dollar amount of all non-construction contracts covered under the Section 3 requirements.

The City's Section 3 Plan also outlines the various responsibilities of HDD, sub-recipients, and contractors to uphold the requirements set forth in the Plan. Specific language is also provided for a Section 3 clause, which is to be included in all applicable covered bids and contracts. Lastly, the Plan outlines the complaint procedure should someone have a complaint of non-compliance with Section 3.

As a means to provide economic opportunities to low- and very-low income persons, the City should finalize, adopt, and implement its draft Section 3 Compliance Plan.

v. Language Access Plan

The City of Colorado Springs does not currently have a Language Access Plan (LAP) to enhance services offered to persons with limited English proficiency (LEP). As stated previously, there are almost 12,000 native Spanish speakers in Colorado Springs that speak English less than very





well. Since the number of native Spanish speakers with LEP exceeds 1,000, the City should conduct the four-factor analysis to determine the extent to which an LAP may be needed. ¹⁰



The City of Colorado Springs must determine the need for a Language Access Plan (LAP) to assist persons with limited English proficiency (LEP) in accessing its CDBG and HOME programs, and other City programs and services.

If it is determined that a need for an LAP exists, the City must prepare the LAP to comply with Title VI of the Civil Rights Act of 1964.

vi. Geographic Distribution of Activities

Maps 8 through 13 on the following pages provide a geographic illustration of the location of various affordable housing investments made throughout the City over the last several years.

Map 8 illustrates the geographic distribution of households assisted through the City's Housing Rehabilitation Program from 2006 to the present. As the map indicates, the City's investments in housing rehabilitation are scattered throughout the City in various neighborhoods and are located in both impacted and non-impacted areas.

Map 9 highlights the affordable housing units created by the Rocky Mountain Community Land Trust (RMCLT), from its inception in 1996 to the present. RMCLT has assisted many lower-income households into homeownership. The single-family housing units created by RMCLT are scattered throughout the City and are not concentrated in any one area or neighborhood. In addition, these investments have occurred in both impacted and non-impacted areas.

Map 10 illustrates affordable homeownership housing units created by Pikes Peak Habitat for Humanity (PPHFH). Habitat's investments over the last few years are located primarily in the northeastern and southern portions of the City and are scattered in both impacted and non-impacted areas.

Map 11 shows properties owned and operated by Partners in Housing. These units, which are primarily for homeless persons and persons with mental disabilities, are located in the central and southern portions of the City, in both impacted and non-impacted areas.

Map 12 highlights affordable housing developments owned and managed by Greccio Housing, Inc. Greccio Housing is a local nonprofit agency that provides affordable rental housing for LMI residents of Colorado Springs. Greccio's units are located in the central southern portion of the City, in both impacted and non-impacted areas.

Lastly, Map 13 illustrates the households assisted through the joint City-County Revenue Bond Program. This program provides bond financing for single-family and multi-family affordable housing development. The revenue bond programs have financed hundreds of affordable housing units over the years. Through this program, homebuyers earning between 110% and



¹⁰ The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.



115% of median income can benefit from a mortgage offering 3.4% interest and only a 3% downpayment

These maps demonstrate the scattered-site approach implemented by the City and its partners in creating affordable housing opportunities outside of impacted areas for lower income households.





C. Appointed Boards and Commissions

A community's sensitivity to fair housing issues is often determined by people in positions of leadership. The perception of housing needs and the intensity of a community's commitment to housing related goals and objectives are often measured by board members, directorships, and the extent to which these individuals relate within an organized framework of agencies, groups, and individuals involved in housing matters. The expansion of fair housing choice requires a team effort and public leadership and commitment is a prerequisite to strategic action.

i. Affordable Housing Committee

The Affordable Housing Committee (AHC) is a group of community leaders that volunteer to review affordable housing development applications received by the City Housing Development Division (HDD).

Presently, the AHC is composed of five members representing the following sectors: real estate, banking, public, the Comprehensive Homeless Assistance Program (CHAP), and the general community. Of the five AHC members, all are White. Three members are male and two are female. In addition, two members indicated they have a disability.

ii. Planning Commission

The Planning Commission (PC) is a nine-member body appointed by City Council to review various development applications and proposals. Of the nine Commission members, eight are White and one is Black. In addition, one member is Hispanic. Six members are male and three are female.

iii. Human Relations Commission

The mission of the Human Relations Commission (HRC), established in March 2012, is to promote understanding and respect for Colorado Springs' residents by facilitating constructive communication through referrals, conflict resolution, education, and outreach.

The HRC currently has 11 members. Of these 11 members, eight are White, two are Black, and one is American Indian. Six of the HRC members are male and five are female. In addition, one member is Hispanic. No members indicated they have a disability.

Of the 25 selected board and commission members in the City of Colorado Springs that deal with housing-related issues, 84% are White. The majority of board and commission members are male (60%). Two members are Hispanic while one member is American Indian. Two members, both of which sit on the Affordable Housing Committee, indicated they have a disability. The following figure provides a summary of the composition of the boards and commissions analyzed.

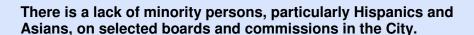




90% 80% 70% 60% 50% 40% 30% 20% 10% 0% White Black Male Female Hispanic American Disabled Indian

Figure 5-4
Composition of Appointed Boards and Commissions, 2012

Colorado Springs is a diverse City that has experienced significant population growth in its non-White minority population. Hispanics account for 16.1% of the City's total population but only 8% of the boards and commission members. There are no Asian members on the boards and commissions surveyed, yet Asians account for 3.3% of the total population. Only 40% of appointees are female. Overall, the number of minorities on selected boards and commissions throughout the City could be more representative of the overall minority population in Colorado Springs.



The experiences and perspectives of members of the protected classes would enhance decision-making processes in the City and offer the opportunity for greater advancement of fair housing choice in all aspects of government.

D. Accessibility of Residential Dwelling Units

From a regulatory standpoint, local government measures define the range and density of housing resources that can be introduced in a community. Housing quality standards are enforced through the local building code and inspection procedures.

The City of Colorado Springs regulates housing construction through a variety of national and international codes. The following list provides a summary of the existing codes and standards that have been adopted and are in use by the Pikes Peak Regional Building Department (PPRBD):





- 2009 International Building Code/International Residential Code (IBC/IRC), including only the building portions of the IRC,
- 2008 National Electrical Code (NEC),
- 2009 International Mechanical Code/International Fuel Gas Code (IMC/IFGC),
- 2009 International Plumbing Code (IPC), and
- 2009 International Energy Conservation Code (IECC).

PPRBD was created in 1976 through an inter-governmental agreement between El Paso County and the City of Colorado Springs. The Cities of Fountain, Manitou Springs, Green Mountain Falls, Monument, and Palmer Lake later became parties to the Agreement and are also serviced by PPRBD. The Department is administered by the Regional Building Commission (RBC), a three member governing body consisting of an El Paso County Commissioner, a City of Colorado Springs Councilperson, and a representative from one of the five suburban entities. The Commission generally supervises departmental administration and directs policy.

PPRBD's main goal is to protect the life, health, property, and overall public welfare of residents in the region by regulating and controlling the design, construction, quality of materials, use and occupancy, location, and maintenance of buildings and structures within all zoned areas of the County through the enforcement of minimal building code standards. Building permits in Colorado Springs are issued by PPRBD.

Within the City, the Development Review Enterprise (DRE) provides commercial and residential building plan review to ensure compliance with City land use regulations. DRE also manages financial and other administrative review programs associated with building permits. DRE promotes a safer Colorado Springs community through fire protection engineering plan review, design consultation, and fire code inspections for new construction. DRE provides the following services:

- Plan review for commercial and residential single-family and multi-family new housing construction and additions,
- Development plan amendments, administrative relief requests, variances, and waivers of replat,
- Sign permits and temporary use permits,
- Plat recording and collection of development fees,
- Commercial and multi-family certificate of occupancy inspections for zoning requirements
- Information to contractors, developers, and the public regarding building permits, zoning, and land use requirements, and
- Fire protection review and fire code inspections for new construction and fire suppression systems.

According to stakeholders interviewed for the AI, there is a significant supply of multi-family housing that was constructed in the 1960s and 1970s that is not accessible to persons with disabilities. One local affordable housing provider stated these units could provide opportunities for affordable housing if rehabilitated and modified, but it is often too costly to do so.



HDD should require that all HOME-assisted units meet the Uniform Federal Accessibility Standards (UFAS).





E. Comprehensive Planning

In Colorado, cities and counties are authorized to prepare comprehensive plans, also known as master plans, as a guide to achieve long-range visions and goals in a community. The comprehensive plan provides a framework for various regulatory tools used by localities throughout the State, including zoning, subdivision regulations, annexations, and other policies. Further, a comprehensive plan promotes a community's vision, goals, objectives, and policies while establishing a process for orderly, sustainable growth and development.

Colorado State Law (C.R.S. § 30-28-106 for counties and 31-23-206 for municipalities) provides guidance on what topics should be covered and what issues should be addressed in a comprehensive plan. Comprehensive plans may include, but not be limited to, discussions on the following issues and topics:

- General location of public places and facilities (e.g. schools, libraries, etc.),
- General location of public utilities for water, power, sanitation, transportation, or other purposes,
- Extraction of commercial mineral deposits,
- General location and extent of an adequate and suitable water supply,
- Availability of affordable housing within the county or region,
- A recreation and tourism element, and
- Projections of population growth and housing needs to accommodate the projected population for specified increments of time.

Colorado law values the importance of identifying existing barriers to housing choice. Localities are encouraged to examine any regulatory impediments to the development of affordable housing in their comprehensive plans.

Due to recent growth rates in the last decade and the overall size of its population, Colorado Springs is required to prepare a comprehensive plan. Section 4 of § 30-28-106 outlines the criteria counties must meet in order to be required to prepare a comprehensive plan. C.R.S. § 31-23-206 outlines this same criteria for municipalities.

The Comprehensive Plan for the City of Colorado Springs was reviewed for the Al. The review was based primarily on the following topics, to evaluate the impact of the plan on the local fair housing landscape:

- Overall housing needs and goals,
- Designated growth areas,
- Linkage between housing and employment,
- Acknowledgement of obligation to affirmatively further fair housing, and
- Strategies to meet the housing needs of all households, regardless of race, ethnicity, income, or familial status.

The City's latest Comprehensive Plan, completed in 2001, contains eight chapters written to guide future development and conservation activities through goals, objectives, and policies based on data and maps on existing conditions and analysis of these conditions. The purpose of the Plan is to guide the physical growth of the City to the year 2020. Over the last two decades, Colorado Springs has experienced significant growth and change. The City's Comprehensive Plan addresses several major issues, including, but not limited to, the following:

 Developing a coordinated land use pattern that uses land efficiently by encouraging mixeduse activity centers rather than segregated land uses,





- Recognizing the central importance of all neighborhoods,
- Creating opportunities for alternative modes of transportation to reduce usage of and reliance on automobiles, and
- Strengthening the quality of the visual character and appearance of future developments.

How land should be used is an important and fundamental issue for determining the overall future of the City. Where and when new growth and development should occur, how such growth should be managed, what locations are suitable for different kinds of development, and how these various elements should be combined are all questions addressed by the 2001 Comprehensive Plan.

According to the Comprehensive Plan, neighborhoods are the fundamental building block for developing and redeveloping residential areas of the City. A housing sub-element with a strong neighborhood orientation is included in the Plan. Specifically, Chapter 1, the Land Use Chapter of the Plan, contains several housing-related objectives, including developing cohesive residential areas, meeting the housing needs of all segments of the community, and integrating housing with other supportive land uses. To accomplish the objective of meeting the housing needs of all segments of the population, the City included the following policies and strategies in the Comprehensive Plan:

- Assure provision of housing choices Distribute housing throughout the City so as to
 provide households with a choice of densities, types, styles, and costs within a neighborhood
 or residential area,
- **Establish standards to support housing choice** Develop standards to support a range of housing types, styles, and costs within individual neighborhoods,
- Support a mixture of housing densities Adopt guidelines to support a range of housing densities in all developing and new neighborhoods and target higher densities in proximity to open space, major roads and highways, activity centers, and transit services,
- Develop funding strategies and incentives for affordable housing Create an
 affordable housing program to utilize available funding to reduce the costs of housing for
 lower income households, and
- Integrate affordable housing into neighborhoods Integrate housing that is affordable to a broad range of incomes and households within neighborhoods, whether by location or design, and ensure that affordable housing complements the formation of a neighborhood, avoiding the segregation of affordable housing.

In regard to connecting housing and employment, the 2001 Comprehensive Plan includes several transportation-related goals that would address the linkage between housing and jobs. For example, one of the policy statements listed in the Plan is to develop a land use pattern that is mutually supportive with the Intermodal Transportation System. A strategy to address this objective is to locate the places that people use for their daily needs and activities close to each other. Specifically, the City aims to group and link the places used for living, working, shopping, schooling, and recreating and make them accessible by transit, bicycle, foot, and car.

The 2001 Comprehensive Plan includes a Future Land Use Map, which represents a framework for future City growth through the year 2020. This map illustrates what the pattern of development would be if development were to take place in accordance with the various policies outlined in the Comprehensive Plan. The purpose of the map is to provide a citywide context for coordinating decisions regarding the development and redevelopment of various areas. The Future Land Use Map shows a pattern for the City that is comprised of five types of places: Residential, Commercial, Employment, Regional Activity Centers, and Open Spaces and Parks. The Future Land Use Map also includes potential annexation areas that are likely to be incorporated by the City by 2020.





Two specific residential land uses are included on the 2020 Land Use Map – low density residential and general residential. The low density residential classification is for existing large lot residential developments and undeveloped areas with environmental features that prevent more intensive development from occurring. The general residential designation is for the vast majority of existing and future residential areas throughout the City. General residential includes a wide variety of residential uses as well as uses that serve and support individual neighborhoods. A few of the strategies outlined in the 2001 Comprehensive Plan for general residential zones are to designate existing development at average gross densities greater than three dwelling units per acre and to cluster higher density development along collector and major roads and as a transition to nonresidential uses. The general residential zones, which allow for multi-family housing at both medium and high densities, are scattered proportionately throughout the City, in and around major highways such as I-25 and several State Routes including 83, 85, 87, and 24.

Overall, the City's 2001 Comprehensive Plan provides a thorough overview of the City's housing goals and policies. The Plan emphasizes the need for a variety of housing types to meet the needs of the City's diverse population. Further, the Plan recognizes the City's obligation to affirmatively further fair housing by providing households with a variety of housing choices at a mix of densities, styles, and costs in a variety of neighborhoods. The 2001 Comprehensive Plan for Colorado Springs also addresses the necessary linkages between housing and employment centers. Although the City's Comprehensive Plan acknowledges and supports the importance of housing choice and access to housing, as a practical matter, the plan is largely a passive document and is not affirmatively implemented.

F. Zoning Policies and Regulations

In Colorado, the power behind land development decisions resides with local governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances, and subdivision ordinances, as well as building and development permits. As outlined in Title 29 Article 20 of the State Code (§ 29-20-101 through § 29-20-205, also known as the Local Government Land Use Control Enabling Act of 1974), the State grants broad authority to local governments to plan for and regulate the use of land within their jurisdiction in order to provide for planned and orderly development.

For this analysis, the zoning ordinance for the City of Colorado Springs was reviewed. A summary table of the review of the City's zoning ordinance is included in Appendix B.

The analysis of zoning regulations was based on the following five topics raised in HUD's Fair Housing Planning Guide, which include:

- The opportunity to develop various housing types (including apartments and housing at various densities),
- The opportunity to develop alternative designs (such as cluster developments, planned residential developments, inclusionary zoning, and transit-oriented developments),
- Minimum lot size requirements (lot sizes that are too large can discourage affordable housing development),
- Dispersal requirements and regulatory provisions for housing facilities for persons with disabilities (e.g. group homes) in single-family zoning districts, and
- The definition of family and restrictions on the number of unrelated persons in dwelling units.

In addition, the review considered the amount of land zoned and available for multi-family housing. Other provisions related to housing that were reviewed to determine compliance with state and federal statutes were regulations concerning accessory dwelling units.





i. Date of Ordinance

Generally speaking, the older a zoning ordinance, the less effective it will be. Older zoning ordinances have not evolved to address changing land uses, lifestyles, and demographics. However, the age of the zoning ordinance does not necessarily mean that the regulations impede housing choice by members of the protected classes.

The City's zoning ordinance was originally adopted in 1926. The last major re-write occurred in 2001. The City routinely reviews, amends, and modifies the Zoning Code on a regular basis. The City last "scrubbed" the Code in 2009 and is presently finishing its latest scrub effort. Recent significant amendments include mixed-use provisions in 2004, form-based zoning in 2009, and new signage provisions in 2012.

ii. Residential Zoning Districts and Permitted Dwelling Types

The number of residential zoning districts is not as significant as the characteristics of each district, including permitted land uses, minimum lot sizes, and the range of permitted housing types. However, the number of residential zoning districts is indicative of the municipality's desire to promote and provide a diverse housing stock for different types of households at a wide range of income levels.

Similar to excessively large lots, restrictive forms of land use that exclude any particular form of housing, particularly multi-family housing, discourage the development of affordable housing. Allowing varied residential types reduces potential impediments to housing choice by members of the protected classes. The significant elements reviewed for the AI were the location, size, and availability of developable land in zoning districts where multi-family dwellings and group homes are permitted.

The City of Colorado Springs specifies a large number of residential districts, providing three single-family residential zones, one two-family residential zone, and two multi-family residential zones. In addition to the districts previously mentioned, residential uses are also permitted in the Agricultural (A) zone, Special Use (SU) zone, and Traditional Neighborhood Development (TND) zone. Of the six exclusively residential zones, differences among zones are primarily related to density, setback requirements, permitted lot sizes, and building height.

The three single-family zoning districts include R Estate, R-1 9000, and R-1 6000. The R - Estate Single-Family residential district accommodates large lots primarily for low density, detached single-family residential use. The R-1 9000 zone is primarily designed for medium-sized lots for detached single-family homes while the R-1 6000 zone accommodates smaller lots for the same type of use. The R-2 Two-Family Residential zone is designed for small or medium lots for detached one-family or attached two-family residential use.

The two multi-family residential zoning districts in Colorado Springs are R-4 and R-5. The R-4 zone accommodates lots primarily for medium density attached multi-family residential use at a density of not more than eight dwelling units per acre. The R-5 district is designed for higher density, attached multi-family residential uses.

In addition to the residential zoning districts, the City promotes and encourages a variety of housing types through nonstandard zoning districts, including Planned Unit Developments (PUD), Traditional Neighborhood Development (TND), Special Use (SU), which is found in proximity to college campuses, and Mixed Use (MU). The City also allows residential uses in most commercial zones, either as a separate use or integrated into commercial projects. Furthermore, the City also has a Design Flexibility Overlay Zone (DFOZ) option that can be applied to the districts, such as the R-1 6000 district, to allow more flexibility in lot sizes without triggering the need to rezone.





Accessory dwelling units are allowed in R-2, R-4, and R-5 residential zones. Accessory dwelling units are defined in the City's zoning code as subordinate to the principal residential dwelling on a lot and located upon the same lot as the principal unit.

Over the past few decades, new single-family residential subdivisions in Colorado Springs have been largely zoned as some form of Planned Unit Development (PUD). There has been an option for smaller lot residential PUDs in the last decade. The PUD process allows an option for accessory dwelling units but few developers have elected to include accessory dwelling units in their developments.

Colorado Springs contains about 186 square miles of land area, of which about 100 square miles are developed. Over the last two decades, the City has experienced significant growth and change. The majority of growth has occurred in the northeastern section of the City. While there is land that remains undeveloped, the City is home to several existing parks, public lands, and lands dedicated as open space. As such, the City has begun to focus more of its efforts on creating new housing opportunities through redevelopment and infill rather than through new construction on undeveloped lots. The City endeavors to achieve downtown revitalization with affordable housing included as a component.

The City's Future Land Use Map 2020 and its Existing Land Use Map for 2011 were reviewed to determine the amount of land zoned and available for multi-family housing in Colorado Springs. The residential zones which allow for multi-family housing, both medium and high densities, are scattered proportionately throughout the City, in and around major highways such as I-25 and several State Routes including 83, 85, 87, and 24.

iii. Permitted Residential Lot Sizes

Because members of the protected classes are often also in low-income households, a lack of affordable housing may impede housing choice by members of the protected classes. Excessively large lot sizes may deter development of affordable housing. A balance should be struck between areas with larger lots and those for smaller lots that will more easily support the creation of affordable housing. Finally, the cost of land is an important factor in assessing affordable housing opportunities. Although small lot sizes of 10,000 square feet or less may be permitted, if the cost to acquire such a lot is prohibitively expensive, then new affordable housing opportunities may be severely limited, if not non-existent.

Minimum lot sizes for the agricultural district were the largest, requiring a lot area of at least five acres for a single-family detached housing unit. Outside of the agricultural zone, minimum lot sizes for a detached single-family home ranged from 20,000 square feet in the R Estate Single-Family residential district to 4,000 square feet in the R-5 Multi-Family Residential district. Lot areas per duplex ranged from 7,000 square feet in the R-2 Two-Family Residential District to 6,000 square feet in both the R-4 and R-5 Multi-Family zones. The minimum lot sizes for multi-family units differ by district and by the proposed number of stories in the building. For one-story buildings, lot sizes ranged from 2,500 square feet in R-4 to 1,400 square feet in R-5. By comparison, the minimum lot size for a four-story building was 800 square feet in the R-5 district. Minimum lot areas for single-family attached homes ranged from 3,000 square feet in the R-4 zone to 2,200 square feet in the R-5 zone.

iv. Alternative Design

Allowing alternative designs provides opportunities for affordable housing by reducing the cost of infrastructure spread out over a larger parcel of land. Alternative designs may also increase the economies of scale in site development, further supporting the development of lower-cost housing. Alternative designs can promote other community development objectives, including





agricultural preservation or the protection of environmentally sensitive lands, while off-setting large lot zoning and supporting the development of varied residential types. However, in many communities, alternative design developments often include higher-priced homes. Consideration should be given to alternative design developments that seek to produce and preserve affordable housing options for working and lower-income households.

Currently, the City does not have any inclusionary zoning policies nor does it provide any density bonus incentives. However, through its zoning code, the City supports several alternative design measures, including a mixed-use zone, planned unit developments (PUDs), and traditional neighborhood developments (TNDs). According to City planning staff, mixed use zones are rarely utilized due to cumbersome restrictions. As a result, PUDs are used more often due to their flexibility. The purpose of PUDs, outlined in Article 3 Part 6 of the City Code, is to allow for a variety of land use types, encourage appropriate mixed use development, promote flexibility and innovative design, and provide a clear and reasonable plan for the phased development and completion of a proposed development.

The City's mixed use zoning districts are outlined in Part 7 of Article 3 of the City Code. Mixed use districts were adopted in 2004 to facilitate quality mixed use development in activity centers, accommodate various intensities and patterns of development that can support multiple modes of transportation (including public transit and walking), and provide a variety of residential housing types and densities to assure activity to support a mix of uses and enhance the housing choices of City residents.

The purpose of the Traditional Neighborhood Development zone is to create a residential zoning classification that encourages a pattern of neighborhood development commonly built in the City prior to World War II. Such neighborhoods are characterized by a diversity of housing types integrated with neighborhood schools, parks, civic spaces, and commercial uses. The TND Zone is intended to promote the development of a neighborhood with a sense of place.

v. Definition of Family

Restrictive definitions of family may impede unrelated individuals from sharing a dwelling unit. Defining family broadly advances non-traditional families and supports the blending of families who may be living together for economic purposes. Restrictions in the definition of family typically cap the number of unrelated individuals that can live together at two or three. These restrictions can impede the development of group homes, effectively impeding housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

The City of Colorado Springs defines the term "family" to include an individual, two or more persons related by blood, marriage, adoption, or similar legal relationship, or a group of no more than five persons who need not be related. The City's definition of family is inclusive and allows for non-traditional households of up to five persons to live together for economic reasons.

vi. Regulations for Group Homes for Persons with Disabilities

Group homes are residential uses that do not adversely impact a community. Efforts should be made to ensure group homes can be easily accommodated throughout the community under the same standards as any other residential use. Of particular concern are those that serve members of the protected classes such as the disabled. Because a group home for the disabled serves to provide a non-institutional experience for its occupants, imposing conditions are contrary to the purpose of a group home. More importantly, the restrictions, unless executed against all residential uses in the zoning district, are an impediment to the siting of group homes in violation of the Fair Housing Act. For example, a local government may generally restrict the





ability of groups of unrelated persons living together if the same restrictions are imposed on all such groups.

Two primary purposes of a group home residence are normalization and community integration. By allowing group residences throughout the community in agreement with the same standards as applied to all other residential uses occupied by a family, the purposes of the use are not hindered and housing choice for the disabled is not impeded.

Under the federal Fair Housing Act, disability is broadly defined to include any physical or mental condition that creates a substantial impairment in major life activities, including an actual impairment, a record of having such an impairment, or being regarded as having such an impairment. Current illegal substance abusers are not protected, but people who are alcoholics or in substance abuse recovery programs are.

In the City's zoning ordinance, group homes are referred to as human service establishments, and include residential establishments that provide 24-hour lodging, care, and/or treatment to a specified number of persons who may be unrelated to each other, not including domestic, supervisory, or medical staff providing services on the premises, and intended to provide the residents an opportunity to live in as normal a residential environment as possible. There are six types of human service establishments outlined in the ordinance, which are generally distinguished by the number of individuals permitted and the type of disability or other need for this particular type of housing:

- Human service establishments not requiring a Colorado Springs human service establishment permit, which allow up to five unrelated persons to live together for lodging and/or treatment provided for physical, emotional or mental disabilities, or impaired capacity to live independently. This group of individuals is classified as a family and the use is regulated as a single family home.
- Human service homes, which allow between six and eight unrelated individuals to live together for lodging and/or treatment provided for developmentally, physically or mentally disabled or elderly persons. A human service home is treated as a single family residence and the resident individuals are considered to meet the definition of a family.
- Human service residences, which include hospices, youth facilities, and family care homes/foster adopt homes.
- Human service facilities, which allow nine or more persons to live together for the lodging and/or treatment for physically, developmentally, and mental disabilities, elderly persons, and residents of a hospice or youth facility.
- Human service shelters, defined as a residential operation providing temporary group lodging and support services to individuals and families in need due to medical or economic circumstances or social difficulties.
- Detoxification centers, which are convalescent centers for individuals needing assistance to remove the effects of drugs or alcohol.

In a Joint Statement issued by the U.S. Department of Housing and Urban Development and the Department of Justice, an overview of the Fair Housing Act's requirements as it relates to local land use policies is included. Specifically, the Fair Housing Act makes it unlawful to treat groups of persons with disabilities "less favorably" than persons without disabilities. For example,

Joint Statement of the Department of Justice and the Department of Housing and Urban Development on Group Homes, Local Land Use and the Fair Housing Act accessed online at http://www.justice.gov/crt/about/hce/final8-1.php





a zoning ordinance that places a limit on the number of unrelated individuals that can live together as a family must grant reasonable accommodation for a group home for persons with disabilities to reside in residential zoning districts without any additional requirements (i.e., the group home must be regulated as a single family residential unit).

Human service establishments (not requiring a Colorado Springs human service establishment permit) are permitted uses in all residential districts in which single family dwellings are permitted. Human service homes are also permitted uses in all residential districts. These provisions are in compliance with the Fair Housing Act. Human service residences and human service facilities go beyond the traditional group home and include individuals who may not meet the definition of disabled under the Act.

Human service shelters, which include drug or alcohol treatment facilities, are allowed by conditional use permit in all residential districts. According to the zoning ordinance, a conditional use permit triggers the submission of a development plan and a public hearing, additional requirements that are above and beyond that which is customarily required for single family dwelling units. This provision is in violation of the Fair Housing Act. Under the Act, a disability includes drug addiction and alcoholism, but excludes current use of illegal substances. Therefore, persons who are recovering from substance abuse meet the definition of disabled as defined by the Fair Housing Act. Persons who are recovering from substance abuse addiction are to be considered disabled, and group homes providing lodging and/or treatment for them must be regulated in the same manner as group homes for persons with physical or mental disabilities.

The City zoning ordinance distinguishes between persons recovering from substance abuse and all other disabilities, and places additional regulatory requirements on human service shelters/drug or alcohol treatment facilities.

People in recovery from substance abuse addiction are covered under the Fair Housing Act's definition of disability. Therefore, the City's regulations concerning human service shelters, specifically drug or alcohol treatment facilities, are not consistent with the Fair Housing Act and limit fair housing choice for persons with disabilities.

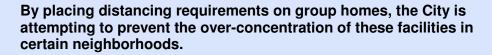
The zoning ordinance also imposes a distancing requirement of 1,000 feet between human service establishments. According to the City's Land Use Review Division (LURD), the 1,000 feet spacing requirement is imposed on some but not all of the human service establishments. Both HUD and DOJ, as well as most courts, have taken the position that density restrictions are not generally consistent with the Fair Housing Act. However, this position is often qualified in neighborhoods which include a disproportionate number of group homes, as it would work against the concept of integrating persons with disabilities into community residential settings. While over-concentration could be considered in this context, it does not justify distancing requirements that have the effect of precluding group homes from locating in entire neighborhoods or communities.





According to LURD, the intent of the human service code was to integrate human service facilities throughout the entire community as well as to prevent them from being concentrated in a particular area and in turn over-saturating a specific neighborhood. Further, the City wanted to try to prevent human service establishments from putting each other out of business due to their close proximity to one another. The spacing requirements were established, in part, as a response to several group homes closing their doors because other similar facilities opened nearby.

Distancing requirements should not be imposed solely to protect property values of homes and buildings nearby. Instead, they should be used as a means to prevent over-concentration of group homes in certain areas. The City should elaborate on the intent and purpose of the spacing requirements in its zoning ordinance to provide more clarity on this issue.



The City should amend its zoning ordinance as it relates to the distancing requirements placed on human service establishments to specify what types of establishments the requirement does and does not apply to and to elaborate on the overall intent and purpose of the requirement.

G. Public Transit

Households without a vehicle, which in many cases are primarily low- to moderate-income households, are at a disadvantage in accessing jobs and services, particularly if public transit is inadequate or absent. Access to public transit is critical to these households. Without convenient access, employment is potentially at risk and the ability to remain housed is threatened. The linkage between residential areas of concentration of minority and LMI persons (e.g., impacted areas) and employment opportunities is key to expanding fair housing choice for members of the protected classes.

In 2010, 6.5% of households in Colorado Springs were transit-dependent. Renter households were much more likely than owner households to lack access to a vehicle, as 13.4% of renters were transit-dependent, compared to only 2.3% of owner households. Transit-dependency rates among renters, owners, and total households in Colorado Springs were comparable to state and countywide rates.





Figure 5-5
Percent of Transit-Dependent Households by Tenure, 2010

	All Households	Renter-Occupied	Owner-Occupied
State of Colorado	5.7%	13.3%	2.0%
El Paso County	5.4%	12.2%	1.9%
City of Colorado Springs	6.5%	13.4%	2.3%

Source: US Census Bureau, 2006-2010 American Community Survey (B25044)

Minority households were more likely to use public transit than White households. In 2010, 6.4% of Black households and 2.1% of Hispanics relied on public transportation, compared to 1.1% of Whites. While almost eight in every 10 White households drove alone to work, Black and Hispanic households were less likely to do so. Hispanic households were more likely than Whites and Blacks to carpool. Black and Hispanic households also were less likely to work at home than White households.

Figure 5-6
Means of Transportation to Work by Race and Ethnicity, 2010

	White		Bla	ack	Hispanic		
			#	# %		%	
Drove alone	129,721	79.9%	9,449	76.2%	19,843	73.6%	
Carpooled	15,252	9.4%	1,171	9.4%	4,766	17.7%	
Public transportation	1,860	1.1%	790	6.4%	575	2.1%	
Walked	3,661	2.3%	550	4.4%	699	2.6%	
Taxi, motorcycle, bike or other	2,646	1.6%	242	2.0%	260	1.0%	
Worked at home	9,147	5.6%	196	1.6%	802	3.0%	
Total	162,287	100.0%	12,398	100.0%	26,945	100.0%	

Source: US Census Bureau, 2010 American Community Survey (B08105A, B08105B, B08105I)

The City of Colorado Springs Transit Services Division/Mountain Metropolitan Transit (Mountain Metro) currently operates 18 bus routes in the greater Colorado Springs area. These routes operate Monday through Friday from approximately 5:30am until 6:30pm. There are also nine routes operated on Saturdays from approximately 6:30am until 6:30pm. There is no evening weekday service and no service on Sundays.

The mission of Mountain Metro is to meet the public transportation needs of the Pikes Peak Region by providing the highest quality public transportation services possible and to provide such services in a safe, reliable, cost-effective, and customer-oriented manner in an overall effort to meet the personal mobility needs of transit riders in the community.

Mountain Metro charges a fare of \$1.75 for a one-way ticket. The economy fare offers a discounted rate of \$0.85 for a one-way ride for seniors age 60 or older, persons with disabilities and persons receiving Medicare, and youth ages 6-18. Children age five (5) and under ride free with a paid adult. Mountain Metro also offers a "special" 22-Ride Ticket for seniors, persons with disabilities, and youth ages 6-18.





This ticket provides 22 one-way rides at a discounted rate of \$17.50. "Special" riders must be prepared to show proper identification or proof of eligibility upon request.

According to Mountain Metro's 2010 Onboard Survey, total average daily ridership was 8,368 passengers (for the routes surveyed in June 2010). Fifty-one percent of patrons in 2010 reported having incomes of less than \$14,999 annually. The majority of respondents (94%) noted English was their primary language while 3% of riders spoke Spanish as their primary language.

According to Mountain Metro, the service lacks a steady, dedicated source of funding revenue to support its operations and services. Local funding to area transit services was dramatically cut-back in 2009 and 2010. Due to the recent economic slowdown, area transit rates, hours, and services have been cut in half of levels provided to area residents in 2008.

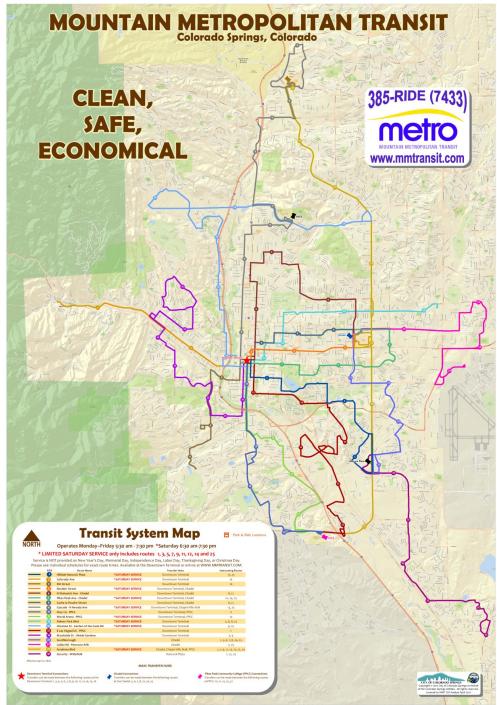
Mountain Metro's total annual budget is approximately \$18 million. The City contributes \$3 million, or 16.7%. More stable funding sources are needed to ensure that Mountain Metro can continue to offer fixed-route bus services, and expand services accordingly, to residents of the greater Colorado Springs area.

The following map provides a detailed summary of transit routes available in Colorado Springs. As the map illustrates, there is no service in the northeast quad of the City where several major employers are located, including the local hospital. There is also no local service on weekday evenings or on Sundays.





Figure 5-7
Map of Mountain Metropolitan Local Transit Routes, 2011



Source: http://www.springsgov.com/units/transit/Maps/2012SystemMapshltrFNLLR.pdf
Note: Service available weekdays, daytimes only.





After the failure of ballot measure 2C, which proposed to raise taxes to cover the City's deficit, Mountain Metro was forced to significantly scale back its services on January 1, 2010. At that time, Mountain Metro eliminated several routes, including Route 30-Fort Carson, Route 92-Schriever AFB North, Route 93-Schriever AFB Northeast, and Route 95-Schriever AFT Central. Evening and Sunday services were also eliminated in January 2010. In 2011, Saturday service was reinstated for certain routes.

In addition to bus services offered through Mountain Metro, the City of Colorado Springs also provides regional, commuter bus services through FrontRange Express (FREX). FrontRange Express offers services to/from Colorado Springs, Monument, and Denver.

FREX operates Monday through Friday only from approximately 4:00am until 7:00pm. FREX fares vary by point-of-origin and destination. For example, a one-way cash fare from Colorado Springs to Denver is \$11. From Monument to Colorado Springs, a one-way cash fare is \$5. Cash fare for senior citizens ages 60 and over, children ages 6-11, students ages 12-18, and Medicare/disabled passengers during non-peak hours of 9:00am to 3:15pm is 50% of the posted one-way cash fare.

Mountain Metro offers a "Bike-n-Bus" program through which passengers can use their bicycles for part of the trip and bus for the rest. Bicycle racks are mounted on the front of each Mountain Metro and FrontRange Express bus, and passengers may load a bicycle at any bus stop. These easy-to-use bike racks can hold two bikes and are available on a first-come, first-served basis with a limit of one bike per person.

Metro Mobility is an ADA paratransit service provided for individuals who, because of their disability, are unable to use Mountain Metro fixed-route bus service. Riders must have a disability that prevents them from using fixed-route bus service some or all of the time. Metro Mobility provides transportation for people with disabilities who are certified as eligible for ADA paratransit service. All Mountain Metro vehicles offer lift equipment accessibility. Metro Mobility's service area includes corridors within three-quarters of a mile from fixed-route bus service. Metro Mobility operates Mondays through Fridays from 5:30am to 7:00pm, and also has more limited service on Saturdays from approximately 6:30am until 6:30pm.

To comply with Title VI of the Civil Rights Act of 1964, Mountain Metro will process and investigate complaints alleging discrimination in any of its programs and activities. A complaint form is available online. Complaints must be filed in writing and sent to Mount Metro's office.



The lack of adequate public transportation is a major impediment in Colorado Springs.

Deficiencies in public transit include the lack of a dedicated and steady source of funding revenue, limited service on weekends and beyond 7:00pm, as well as a lack of service to the northeast quad of the City, where several major employers are located. For some affordable housing providers, the lack of public transportation to job-rich areas of the City is a driving force in determining where affordable housing can be located.





H. Taxes

Taxes impact housing affordability. While not an impediment to fair housing choice in and of themselves, real estate taxes can impact the choice that households make with regard to where to live. Tax increases can be burdensome to low-income homeowners, and increases are usually passed on to renters through rent increases. Tax rates for specific districts and the assessed value of all properties are the two major calculations used to determine revenues collected by a jurisdiction. Determining a jurisdiction's relative housing affordability, in part, can be accomplished using tax rates.

However, a straight comparison of tax rates to determine whether a property is affordable or unaffordable gives an incomplete and unrealistic picture of property taxes. Local governments with higher property tax rates, for example, may have higher rates because the assessed values of properties in the community are low, resulting in a fairly low tax bill for any given property. In all of the communities surrounding a jurisdiction, comparable rates for various classes of property (residential, commercial, industrial, etc.) are assigned to balance each community's unique set of resources and needs. These factors and others that are out of the municipality's control must be considered when performing tax rate comparisons.

In Colorado, the percent of actual value of all residential property is determined by the State Legislature. For 2011, it was set at 7.96%. The El Paso County Assessor determines the value of each property in the County; the resulting value is called the market value or actual value. Property tax is only levied on a certain percentage of the actual value, which as previously mentioned is set at 7.96%. In El Paso County, it is the duty of the Assessor to make a fair and equitable assessment of all property in the County so that taxes may be distributed equally in accordance with the value of each taxpayer's property and relative to the value of all other property within the County.

The El Paso County Assessor's Office does not set any tax levy or establish millage rates. All school property taxes are established and levied by the District School Boards. In addition, all County property taxes are established and levied by the County Commission. Taxes in the City of Colorado Springs are established and levied by the City Council. All water, sanitation, fire protection, special improvement, metropolitan, and miscellaneous district property taxes are established and levied by their respective boards.

Compared to other municipalities in El Paso County, the City of Colorado Springs has the lowest municipal millage rate. The following figure provides a comparison of tax millage rates for the cities and towns in El Paso County for 2011.

Figure 5-8
Comparison of Municipal Millage Rates, El Paso County, 2011

City or Town	Levy Rate	Assessed Value	Revenue
Calhan	17.563	\$5,577,210	\$97,952.98
Colorado Springs	4.279	\$4,601,619,020	\$19,690,330.16
Fountain	10.239	\$158,752,570	\$1,625,468.08
Green Mountain Falls	14.588	\$8,257,620	\$120,462.13
Manitou Springs	15.750	\$60,530,780	\$953,360.59
Monument	6.289	\$103,021,610	\$647,903.37
Palmer Lake	16.459	\$27,973,740	\$460,419.63
Ramah	19.827	\$480,060	\$9,518.18

Source: El Paso County Abstract of Assessment, Tax Year 2011





All of the tax rates of the various taxing entities providing services in the County are added together to determine the total tax rate. The following figures display the calculation of taxes for a sample home that has an actual value of \$179,900 (the median sales price) and is located in School District #11. Other school districts throughout the City will have different tax rates. Please note this calculation assumes the home is not located within a special district that levies an additional tax on property. In newer areas of the City, there is increasing use of and reliance on special districts to finance infrastructure costs and to provide services. This creates a large proportional differential in total property taxes for these areas, thereby making them less affordable for housing on an ongoing basis.

Figure 5-9
Colorado Springs Property Tax Rates, 2012

Taxing Entity	Tax Rate	Tax Amount *	
City of Colorado Springs	0.004279	\$61	
El Paso County	0.007717	\$111	
Colorado Springs School District #11	0.042493	\$608	
Pikes Peak Library District	0.003556	\$51	
Southeastern Colorado Water Conservancy	0.000947	\$14	
Total	0.058992	\$845	

^{*}Taxes based on home with an actual value of \$179,900

Source: City of Colorado Springs 2012 Budget, Taxes Overview Section; Caculations by Mullin & Lonergan Associates

Figure 5-10
Sample Property Tax Calculation, 2012

Actual Value	х	Assessment Rate	=	Assessed Value	х	Total Mill Levy	=	Taxes
\$179,900	Х	7.96%	=	\$14,320	Х	0.058992	=	\$845

Source: City of Colorado Springs 2012 Budget, Taxes Overview Section; Caculations by Mullin & Lonergan Associates

As indicated by Figures 5-9 and 5-10 above, property taxes for a home valued at the median sales price of \$179,900 would be approximately \$845 per year. Overall, property taxes in Colorado Springs are extremely affordable. At \$845 per year, a homeowner would pay an additional \$70 per month in housing expenses. As a result, real estate taxes comprise a small percentage of monthly housing expenses.





6. Evaluation of Private Sector Policies

In addition to the public sector policies that influence fair housing choice, there are private sector policies that can influence the development, financing, and advertising of real estate. While the City of Colorado Springs cannot be held responsible for impediments to fair housing choice identified in private sector policies, the City does have an obligation to identify such impediments and bring them to the attention of the appropriate entity. In some cases, it is appropriate and even expected that the City will attempt to communicate the existence of such impediments to the appropriate entity. For example, if real estate advertisements in a City publication are noted to contain questionable language that may be discriminatory, the City should advise the publication of its legal obligations under the Fair Housing Act.

In this section of the AI, mortgage lending practices, high-cost lending, and real estate advertising are analyzed.

A. Mortgage Lending Practices

The Fair Housing Act prohibits lenders from discriminating against members of the protected classes in granting mortgage loans, providing information on loans, imposing the terms and conditions of loans (such as interest rates and fees), conducting appraisals, and considering whether to purchase loans. Unfettered access to fair housing choice requires fair and equal access to the mortgage lending market regardless of race, color, national origin, religion, sex, familial status, disability, or any other statutorily protected basis.

An analysis of mortgage applications and their outcomes can identify possible discriminatory lending practices and patterns in a community. Home Mortgage Disclosure Act (HMDA) data contains records for all residential loan activity reported by banks pursuant to the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Any commercial lending institution that makes five or more home mortgage loans annually must report all residential loan activity to the Federal Reserve Bank, including information on applications denied, withdrawn, or incomplete by race, sex, and income of the applicant. This information is used to determine whether financial institutions are serving the housing needs of their communities.

The most recent HMDA data available for the City of Colorado Springs is from 2008 to 2010. The data included for analysis constitutes all types of applications received by lenders by families: home purchase, refinancing, or home improvement mortgage applications for one- to four-family dwellings and manufactured housing units across the entire City. The demographic and income information provided pertains to the primary applicant only. Co-applicants were not included in the analysis. Figure 6-1 summarizes three years of HMDA data by race, ethnicity, and action taken on the applications, followed by detailed analysis.





Figure 6-1
Cumulative Summary Report on Action Taken Mortgage Data, 2008-2010

	Tot Applica		Origir	nated	Approv Acce		Den	nied	Withdi Incom	
	#	%	#	%	#	%	#	%	#	%
Loan Purpose	oan Purpose									
Home purchase	27,286	33.3%	13,090	48.0%	1,027	3.8%	1,760	6.5%	11,197	41.0%
Refinancing	50,592	61.7%	23,122	45.7%	2,312	4.6%	7,428	14.7%	16,644	32.9%
Home improvement	4,127	5.0%	1,761	42.7%	257	6.2%	1,525	37.0%	517	12.5%
Loan Type										
Conventional	49,873	60.8%	23,521	47.2%	2,411	4.8%	8,346	16.7%	14,609	29.3%
FHA	18,770	22.9%	8,084	43.1%	776	4.1%	1,712	9.1%	7,936	42.3%
VA	13,358	16.3%	6,366	47.7%	409	3.1%	654	4.9%	5,813	43.5%
FHS/RHS	4	0.0%	2	50.0%	-	0.0%	1	25.0%	-	0.0%
Property Type										
One to four-family unit	81,487	99.4%	37,812	46.4%	3,545	4.4%	10,546	12.9%	28,228	34.6%
Manufactured housing unit	518	0.6%	161	31.1%	51	9.8%	167	32.2%	130	25.1%
Applicant Race										
Native American	555	0.7%	246	44.3%	31	5.6%	129	23.2%	139	25.0%
Asian	1,242	1.5%	635	51.1%	57	4.6%	216	17.4%	304	24.5%
Black	2,607	3.2%	1,134	43.5%	128	4.9%	613	23.5%	675	25.9%
Hawaiian	345	0.4%	162	47.0%	18	5.2%	88	25.5%	71	20.6%
White	58,752	71.6%	31,900	54.3%	2,939	5.0%	8,147	13.9%	14,696	25.0%
No information	7,797	9.5%	3,703	47.5%	420	5.4%	1,506	19.3%	1,976	25.3%
Not applicable	10,707	13.1%	193	1.8%	3	0.0%	14	0.1%	10,497	98.0%
Hispanic**	5,114	6.2%	2,322	45.4%	254	5.0%	1,073	21.0%	1,354	26.5%
Total	82,005	100.0%	37,973	46.3%	3,596	4.4%	10,713	13.1%	28,358	34.6%

Source: Federal Financial Institutions Examination Council, 2008 to 2010

Note: Percentages in the Originated, Approved Not Accepted, Denied, and Withdrawn/Incomplete categories are calculated for each line item with the corresponding Total Applications figures. Percentages in the Total Applications categories are calculated from their respective total figures.

i. Applicant Characteristics

Across Colorado Springs during the last three years, lenders received 50,592 applications for mortgage refinancing, 27,286 applications for home purchase mortgages, and 4,127 applications for home improvement equity loans. Of these, home purchase loans were the most likely to be successful, as 48% were originated (approved and accepted). Over 40% of home purchase loan applications were withdrawn or left incomplete, and 6.5% were denied. By comparison, 45.7% of refinancing loans were originated. Almost 33% of refinancing loans were withdrawn or incomplete while almost 15% were denied. Home improvement loans represent only a small share of all applications, with 5% of the total, but carry a notably higher denial rate: 37% of applications of this type were rejected.

The vast majority of applications involved one- to four-family housing structures, with only 518 applications (less than 1%) requested financing for manufactured units. The denial rate for manufactured units, 32.2%, was substantially higher than the overall denial rate of 13.1% for all housing types.

The most commonly sought type of financing was conventional loans, a category that represented over 60% of all loan applications. An additional 22.9% of applications were for loans



^{*} Total applications also include loans purchased by another institution.

^{**} Hispanic ethnicity is counted independently of race.



insured by the Federal Housing Administration (FHA), a type of federal assistance that has historically benefited lower-income residents. Over 16% of applications were for loans backed by the Department of Veterans Affairs (VA) while only 4 applications were for loans backed by the Farm Services Administration or Rural Housing Service (FSA/RHS).

The racial composition of loan applicants contrasts with the City's general demographic distribution. While 16.1% of all City households in 2010 were Hispanic, Hispanic households constitute only 8% of the loan applications for which racial/ethnic data were reported. Similarly, 6.3% of all households in Colorado Springs were Black, while only 4.1% of the loan applications for which race was reported were filed by Black households. White households are overrepresented among mortgage applicants, representing a share of applications exceeding their share of all households citywide (92.5% of applications compared to 78.8% of households). Asian households represent 3.3% of the City's population and 2% of the loan applications for which race was reported. Lower participation in the market for home mortgages by Black and Hispanic households is likely a reflection of the lower median incomes among those groups.

Grouping all three years of data into the analysis increases the likelihood that differences among groups are statistically significant. This is especially important in view of the data on mortgage application denials, which also suggests differences according to race and ethnicity.

ii. Applications Approved for Minorities by Census Tract

Loan applications approved (including applications both accepted/originated and not accepted) were examined by census tract for minority groups in the City. Between 2008 and 2010, minority households in Colorado Springs were able to get loans approved outside of impacted areas of concentration of minorities and LMI persons. For example, Hispanic households experienced high levels of approvals in several census tracts, including tracts 21.02, 45.03, and 51.04, none of which are impacted areas. In addition, Black households also experienced a high number of loan application approvals outside of impacted areas, including census tracts 21.02, 45.02, 45.03, and 47.03.

Minority households in Colorado Springs, specifically Black and Hispanic households, are able to find affordable homes for purchase in both impacted and non-impacted areas.

iii. Application Denials

During the years 2008 through 2010, a total of 10,713 mortgage loan applications were denied across Colorado Springs. The overall cumulative denial rate was 13.1% with denials by race and ethnicity ranging from 13.9% for White households to 25.5% for Hawaiian households. In reporting denials, lenders are required to list at least one primary reason for denial and may list up to two secondary reasons. As Figure 6-2 demonstrates, a substantial proportion of denied applications did not state a reason for denial. This was even more prevalent in the denials for Black households, over one-third of which (210 of 613) were rejected without a reported reason. Common reasons given for denial include lack of collateral, insufficient debt-to-income ratio, and poor credit history.





Figure 6-2
Primary Reason for Mortgage Denial by Household Race/Ethnicity, 2008-2010

	Total	White	Black	Asian	Other	Hispanic	No Info
Collateral	21.1%	22.2%	15.2%	17.6%	17.6%	17.0%	19.2%
No reason reported	20.5%	19.8%	34.3%	18.5%	18.5%	24.7%	17.3%
Debt-to-income ratio	17.8%	18.7%	11.7%	23.1%	23.1%	19.2%	14.9%
Credit history	17.4%	15.4%	24.5%	16.7%	16.7%	20.7%	24.2%
Other	9.8%	9.8%	6.0%	8.3%	8.3%	7.5%	11.8%
Incomplete application	7.8%	8.0%	4.6%	10.6%	10.6%	5.8%	8.4%
Unverifiable information	3.3%	3.5%	1.8%	2.8%	2.8%	2.7%	2.9%
Insufficient cash	1.1%	1.2%	0.7%	1.4%	1.4%	0.8%	0.9%
Employment history	1.0%	1.1%	1.1%	0.9%	0.9%	1.1%	0.3%
Insurance denied	0.2%	0.2%	0.2%	0.0%	0.0%	0.6%	0.1%

^{*} Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2008 to 2010

Mortgage loan denial rates among racial and ethnic minority applicants were higher than for White applicants between 2008 and 2010.

Denial rates among Black, Hispanic, and Asian households were 23.5%, 21%, and 17.4%, respectively, between 2008 and 2010, compared to 13.9% among White households.

A substantial portion of denied applications did not state a reason for denial, even though lenders are required to provide at least one primary reason for denial.

Additionally, denied applications for Black and Hispanic households were less likely to include a reason for denial. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

For this analysis, lower-income households include those with incomes between 0%-80% of MFI, while upper-income households include households with incomes above 80% MFI. Applications made by lower-income households accounted for 41% of all denials between 2008 and 2010, though they accounted for only 29.8% of total applications for those three years.

Figure 6-3 distributes the denials by income level among racial and ethnic groups. Among lower-income households, denial rates were higher for minorities. While the overall lower-income denial rate was 18%, the denial rates for lower-income Other Race households (consisting





primarily of Native Americans), Hispanics, Blacks, and Asians, were 44.1%, 41.8%, 37.3% and 21.9%, respectively.

While denial rates were lower for upper-income households, differences persisted across racial and ethnic groups. The overall upper-income denial rate was 13.8%, compared to 22%, 18.5%, 18.4%, and 15.7% for upper-income Black, Other Race, Asian, and Hispanic households, respectively. Lower-income White households were less likely to experience denial than any of these four upper-income minority groups. This pattern is consistent with discrimination.

Figure 6-3
Mortgage Application Denials by Household Race/Ethnicity, 2008-2010

		Total	White	Black	Asian	Other	No data	Hispanic*
	Total Applications	24,412	17,763	713	411	290	5,235	1,466
Lower-Income	Denials	4,396	3,307	266	90	128	605	613
	% Denied	18.0%	18.6%	37.3%	21.9%	44.1%	11.6%	41.8%
	Total Applications	42,117	30,318	1,415	615	449	9,320	2,676
Upper-Income	Denials	5,823	4,507	312	113	83	808	419
	% Denied	13.8%	14.9%	22.0%	18.4%	18.5%	8.7%	15.7%
	Total Applications	82,005	58,752	2,607	1,242	900	18,504	5,114
Total	Denials	10,713	8,147	613	216	217	1,520	1,073
	% Denied	13.1%	13.9%	23.5%	17.4%	24.1%	8.2%	21.0%

Note: Total also includes 15,476 applications for which no income data was reported.

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2008 to 2010



Over the course of the three years studied, upper-income minority households experienced higher denial rates than *lower-income* White households.

Among upper-income Black, Other Race (primarily Native American), Asian, and Hispanic households, mortgage denial rates were 22%, 18.5%, 18.4%, and 15.7%, respectively, compared to a denial rate of 14.9% among lower-income Whites. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

Map 14 on the following page illustrates census tracts in Colorado Springs that experienced mortgage denials at a higher rate than the overall City average of 13.1% between 2008 and 2010. A total of 39 census tracts had denial rates higher than the citywide average over the three years studied, ranging from 13.2% in census tract 48 to 20.2% in census tract 40.09. Of the 39 census tracts with denial rates higher than the citywide average, 10 census tracts (25.6%) were also impacted areas of concentration of both minorities and LMI persons.





iv. High-Cost Lending

The widespread housing finance market crisis of recent years has brought a new level of public attention to lending practices that victimize vulnerable populations. Subprime lending, designed for borrowers who are considered a credit risk, has increased the availability of credit to low-income persons. At the same time, subprime lending has often exploited borrowers, piling on excessive fees, penalties, and interest rates that make financial stability difficult to achieve. Higher monthly mortgage payments make housing less affordable, increasing the risk of mortgage delinquency and foreclosure and the likelihood that properties will fall into disrepair.

Some subprime borrowers have credit scores, income levels, and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of subprime borrowers. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

Since 2005, HMDA data has included price information for loans priced above reporting thresholds set by the Federal Reserve Board. This data is provided by lenders via Loan Application Registers and can be aggregated to complete an analysis of loans by lender or for a specified geographic area. HMDA does not require lenders to report credit scores for applicants, so the data does not indicate which loans are subprime. It does, however, provide price information for loans considered "high-cost."

A loan is considered high-cost if it meets one of the following criteria:

- A first-lien loan with an interest rate at least three percentage points higher than the prevailing U.S. Treasury standard at the time the loan application was filed. The standard is equal to the current price of comparable-maturity Treasury securities.
- A second-lien loan with an interest rate at least five percentage points higher than the standard.

Not all loans carrying high APRs are subprime, and not all subprime loans carry high APRs. However, high-cost lending is a strong predictor of subprime lending, and it can also indicate a loan that applies a heavy cost burden on the borrower, increasing the risk of mortgage delinquency.

Between 2008 and 2010, there were 37,973 home purchase, refinance, or home improvement loans made for single-family or manufactured units in Colorado Springs. Of this total, 33,976 disclosed the borrower's household income and 1,080 reported high-cost mortgages. Overall, upper-income households, with the exception of Other Race households, were slightly less likely to have high-cost mortgages than lower-income households.

An analysis of loans in Colorado Springs by race and ethnicity reveals that minorities are overrepresented in high-cost lending. Among lower-income minority households, 6.4% of mortgages obtained by Blacks and 5.6% of those obtained by Hispanics were high-cost, compared to 4.5% of the mortgages obtained by lower-income Asian households and only 3.5% of those obtained by lower-income White households.

Among upper-income households, Asian households were the least likely to have high-cost mortgages (1.9%) while White households experienced a high-cost rate of 2.6%. The high-cost mortgage rate for upper-income Hispanic households was 4.4% while Black households experienced a high-cost loan rate of 4.6%. Details appear in Figure 6-4.





Figure 6-4
High-Cost Home Purchase Loans by Race/Ethnicity and Income, 2008-2010

		Total	White	Black	Asian	Other	No data	Hispanic*
	Total Originations	11,778	10,084	377	202	153	962	1,001
Lower-Income	High-Cost	424	354	24	9	8	29	56
	% High-Cost	3.6%	3.5%	6.4%	4.5%	5.2%	3.0%	5.6%
	Total Originations	22,198	18,773	476	371	199	2,379	1,032
Upper-Income	High-Cost	589	497	22	7	13	50	45
	% High-Cost	2.7%	2.6%	4.6%	1.9%	6.5%	2.1%	4.4%
	Total Originations	37,973	31,900	1,134	635	408	3,896	2,322
Total	High-Cost	1,080	907	51	17	21	84	104
	% High-Cost	2.8%	2.8%	4.5%	2.7%	5.1%	2.2%	4.5%

Note: Total also includes 3,997 loans for which no income data was reported.

Source: Federal Financial Institutions Examination Council, 2008 to 2010



Lower-income Black, Hispanic, and Other Race households were more likely to receive high-cost mortgage loans than lower-income White or Asian households. In addition, upper-income Black, Hispanic, and Other Race households are more likely to receive high-cost mortgage loans than upper-income White or Asian households.

This trend places minority homeowners at greater risk for eviction, foreclosure, and bankruptcy. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

Map 15 on the following page depicts the distribution of high-cost loans by census tract across Colorado Springs and highlights census tracts with double (or more than double) the citywide average of 1.3% high cost mortgages between 2008 and 2010. A total of 12 census tracts meet this criterion. Of these tracts, six (50%) contained areas of concentration of both minorities and LMI persons.



^{*} Hispanic ethnicity is counted independently of race.



v. Annual Trends

Studying mortgage application data on an annual basis allows insight into the influence of housing market trends on the behavior of applicants and banks. Figure 6-5 illustrates annual change.

Figure 6-5
Mortgage Application Loan Results by Year, 2008-2010

	2008		20	09	20	10
	#	%	#	%	#	%
Total loans						
Applied for	24,377	100.0%	31,760	100.0%	25,868	100.0%
Black	979	4.0%	948	3.0%	680	2.6%
White	17,541	72.0%	21,838	68.8%	19,373	74.9%
Asian	379	1.6%	454	1.4%	409	1.6%
Hispanic*	1,880	7.7%	1,749	5.5%	1,485	5.7%
Other race	327	1.3%	316	1.0%	257	1.0%
No information/NA	5,151	21.1%	8,204	25.8%	5,149	19.9%
Originated	10,125	41.5%	14,975	47.2%	12,873	49.8%
Black	341	34.8%	451	47.6%	342	50.3%
White	8,469	48.3%	12,461	57.1%	10,970	56.6%
Asian	172	45.4%	238	52.4%	225	55.0%
Hispanic*	724	38.5%	858	49.1%	740	49.8%
Other race	119	36.4%	157	49.7%	132	51.4%
No information/NA	1,024	19.9%	1,668	20.3%	1,204	23.4%
Originated - High Cost	584	5.8%	347	2.3%	149	1.2%
Black	11	3.2%	10	2.2%	2	0.6%
White	476	5.6%	298	2.4%	120	1.1%
Asian	3	1.7%	2	0.8%	-	0.0%
Hispanic*	39	5.4%	26	3.0%	10	1.4%
Other race	3	2.5%	1	0.6%	1	0.8%
No information/NA	91	8.9%	36	2.2%	26	2.2%
Denied	4,485	18.4%	3,347	10.5%	2,881	11.1%
Black	325	33.2%	174	18.4%	114	16.8%
White	3,361	19.2%	2,549	11.7%	2,237	11.5%
Asian	79	20.8%	70	15.4%	67	16.4%
Hispanic*	527	28.0%	302	17.3%	244	16.4%
Other race	107	32.7%	61	19.3%	49	19.1%
No information/NA	613	11.9%	493	6.0%	414	8.0%

Note: Data is for home purchase, refinance and improvement loans for owner-occupied one-to-four family and manufactured units. Other application outcomes include approved but not accepted, withdrawn, incomplete or purchase by another institution.

Source: Federal Financial Institutions Examination Council, 2008-10

Housing markets across the country have experienced steep declines in sales volume and mortgage applications since 2008 as a result of buyer reticence in an unstable market. Contrary



^{*} Hispanic ethnicity is counted independently of race.



to national trends, the number of applications in Colorado Springs increased from 24,377 in 2008 to 25,868 in 2010.

Over the course of the three years studied, the percentage of applications that resulted in loan originations generally increased, on the whole and across all racial and ethnic groups, with the exception of White households. The number of loans that were high-cost dropped substantially each year, likely as a direct result of increasing statutory control over predatory lending practices. It is also possible that education and outreach related to borrowing has contributed to the decline in high-cost loans. Between 2008 and 2010, the proportion of applications resulting in denials declined from 18.4% to 11.1%. This change also occurred across all minority groups, except for Asians.



This is likely a direct result of increased statutory control over predatory lending practices, as well as increasing borrower awareness.

B. Real Estate Practices

The City of Colorado Springs is served by the Pikes Peak Association of Realtors (PPAR). PPAR was founded in 1902 and serves the entire Pikes Peak Region, including both El Paso and Teller Counties. PPAR is a medium-sized real estate association with approximately 3,500 members. PPAR's mission is to help its members to be ethical, professional, and successful by providing quality services and protecting the free enterprise system and real property rights.

PPAR does not track the race or ethnicity of its members; it is open to anyone who qualifies as a Realtor. Statistics on minorities, women, and persons with disabilities are not categories maintained in the Association's membership database. As a result, it is not possible to determine the extent to which members of the protected classes are represented on the PPAR Board of Directors or among its general membership.

Members of the Association receive National Association of Realtors (NAR) Code of Ethics training, which includes a fair housing component. PPAR also offers several classes on a monthly basis which include information on fair housing. The curriculum of these classes includes an overview of ethics, fair housing, and professional standards. These classes are taught by a variety of instructors certified through the Colorado Association of Realtors (CAR) and are provided as part of the continuing education process for the State's licensing requirements. An overview of the Fair Housing Act is also covered in PPAR's member orientation class. In addition to classes, the Association also informs its members of fair housing issues through its website, which is updated regularly.

The Association has several different committees and task forces, many of which focus on business aspects of PPAR. There are committees and task forces devoted to board development, community relations, government affairs, member linkages, professional standards, education, member benefits, and strategic planning.





Anyone may file a written complaint alleging a breach of ethics on the part of a member. PPAR has a committee of trained real estate professionals who review complaints and ethics cases. The Grievance Committee reviews cases that are filed to determine if there is a possible violation of the NAR Code of Ethics. If the Committee believes there is a possible violation, the matter is forwarded for an Ethics Hearing. The hearing is conducted in privacy, and remains confidential in most cases. A panel, consisting of three to five experienced Realtors, will then conduct a mini-trial, hear the evidence and testimony, and render a decision as to the guilt or innocence of the respondent.

The local multi-list service (MLS) uses a listing form that describes accessibility features of units for sale or lease. The filed on the form is called "Handicap Access." The local MLS is an "open" MLS where any Colorado-licensed sales broker or appraiser may access and participate in the system.

C. Real Estate Advertising

Under federal law, the making, printing, and publishing of advertisements that state a preference, limitation, or discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin is prohibited. The prohibition applies to publishers, such as newspapers and directories. The prohibition also applies to persons and entities placing real estate advertisements.

Publishers and advertisers are responsible under federal law for making, printing, or publishing an advertisement that violates the Fair Housing Act in its face. Thus, they should not publish or cause to be published an advertisement that on its face expresses a preference, limitation, or discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin. The law, as found in the Fair Housing Amendments Act of 1988, describes the use of words, photographs, symbols, or other approaches that are considered discriminatory.

For this AI, the real estate classified section of the *Colorado Springs Gazette* was reviewed. In addition, the following housing guides were also reviewed: the *Greater Colorado Springs Apartment Guide*, *Colorado Springs New Home Guide*, the *Real Estate Book*, and *Homes & Land of Colorado Springs and the Pikes Peak Region* The following figure provides a summary of the analysis of the real estate classifieds in each respective newspaper and guide.

The publisher's policy on accepting advertisements was prominently displayed and easy to read in three of the five newspapers and publications reviewed. Specifically, the *Greater Colorado Springs Apartment Guide*, the *Real Estate Book*, and the *Colorado Springs New Home Guide* included their policies in relation to equal housing opportunity, noting the federally protected classes and that the respective newspapers will not knowingly accept any advertising for real estate which is in violation of the Fair Housing Act.

Most of the larger real estate firms and brokerages included the fair housing/equal housing opportunity logo in their banner ads. However, a large number of firms did not include the logo. This logo should be prominently displayed in the advertisements placed by real estate brokerage firms.





Figure 6-6
Summary of Real Estate Classified Ads Reviewed by Newspaper

Newspaper	Date of Publication	Publisher's Policies	Placement of Fair Housing/Equal Opportunity Logos in Large Firm Ads	Potential Discriminatory Language
Greater Colorado Springs Apartment Guide	Vol. 28-01-12	Yes	Yes	No
The Real Estate Book	Vol. 13, No. 2	Online	Some Firms	No
Homes & Land of Colorado Springs and the Pikes Peak Region	Vol. 24, Issue 6	No	No	No
Colorado Springs New Home Guide.Com	Vol. 4, Number 01	Yes	Yes	No
Colorado Springs Gazette (Online)	April 4, 2012	No	N/A	No

The classified sections of five newspapers and other real estate publications in Colorado Springs were reviewed as part of this analysis. The publisher's policies for two of the newspapers were not available in the print versions nor were these policies easily accessible online. In addition, several large real estate brokerage firms did not include the equal housing opportunity logo in their banner ads.

Fair housing education, particularly among real estate brokers, real estate sales persons, and advertising professionals, should be expanded to include publishers' responsibilities related to real estate advertising. Specifically, the publisher's fair housing policy and placement of fair housing logos by Realtors and brokers should be emphasized.





7. Current Fair Housing Profile

A. Progress since Previous Al

The City of Colorado Springs' last AI was completed in December 2002. The following eight impediments to fair housing choice were identified in the 2002 AI:

- Opposition to affordable housing developments,
- The City's development review process,
- Development costs and fees,
- Loss of any existing housing units and the displacement of those residing in these units,
- Lack of affordable housing units for low and very low income households, larger housing units for large families, seniors, and accessible units for those with disabilities,
- Lack of emergency shelter space and transitional housing,
- Discrimination taking place within the community, and
- Language barriers.

In March 2005, the City prepared a Report of Action on the 2002 AI. In regard to the first impediment, opposition to affordable housing developments, the City has partnered with or assisted with the preparation of presentations and classes that have been offered around the City to educate the local community about the need for affordable housing. Classes were conducted by area agencies, such as Partners in Housing and Pikes Peak Community Action Agency. These classes covered topics from homebuyer counseling and predatory lending to the current availability of HOME and CDBG funding. In addition to offering classes and workshops, the City has information available on its website, www.springsgov.com. The City also makes presentations to City Council semi-annually on topics concerning fair and affordable housing and takes advantage of area media outlets to disseminate information to the community as a whole.

To address the second impediment regarding the City's development review process, the City established the Land Use Review Advisory Board (LURAB) in 2004. LURAB oversees the review process, monitors the effectiveness and efficiency of the process, advises on potential areas of change including development application fee changes, reviews complaints, and helps private sector design firms achieve quality and complete submittals. As another means to improve the development review process, the City's Land Use Review Division utilizes feedback surveys to identify areas where process improvement can be made.

In regard to the loss of existing affordable housing units and the displacement of residents, the City allocates approximately \$200,000 in HOME funds each year to CSHA for Tenant Based Rental Assistance (TBRA) Programs. Through TBRA, the City increased its assistance to those who have lost housing while waiting for a Section 8 voucher. The City also partners with Ecumenical Social Ministries and other agencies to offer funds for the up-front costs of obtaining rental housing and for emergency rental assistance. These funds are typically targeted for those leaving shelters.

In regard to the lack of affordable and accessible housing in the City, the City adopted Planned Unit Development (PUD) zoning to encourage the development of a mix of housing units throughout the City. PUDs and proportional fee waivers for affordable housing are utilized by the City as methods to foster a mix of housing types by supporting a blend of affordable and market rate housing. In addition, the City sets an annual goal of 400 units of service to support affordable housing for lower income households. These units of service can involve direct assistance to households as well as unit development and preservation of existing units.





The City also has a permit fee waiver policy and a utility tap-in fee deferral policy for affordable housing units developed for households at 80% of the median income. Qualifying units are certified by the Housing Division. In addition, the City's homeowner rehabilitation program includes an accessibility modification component for persons with disabilities.

To address existing language barriers within the community, the City has a Fair Housing Guide that is printed in English, Spanish, and Korean. The City also updated its translator list to reflect the variety of languages spoken in the community.

B. Current Fair Housing Activities

There is currently no line item in the City's CDBG Program budget for pure fair housing activities. Despite the lack of funding allotted to fair housing initiatives, the City has remained active in fair housing issues. The City began working with the Colorado Civil Rights Division (CCRD) in 2001-2002 as part of CCRD's Fair Housing Assistance Program (FHAP). The City partners with CCRD to provide fair housing information and education services. In 2002, the City received funds to prepare its Fair Housing Guide and to sponsor a fair housing educational seminar. And, in 2005, the City provided fair housing training to area Realtors.



There is no line item in the City's CDBG Program budget for pure fair housing activities.

In order to provide fair housing education and outreach services, the City should allocate 1% to 3% of its yearly CDBG entitlement grant to pure fair housing activities, such as education, outreach, training, and enforcement.

Fair Housing Month is celebrated in conjunction with the City's Community Development Week activities and includes a mayoral proclamation. Various publications and information about available resources related to fair housing and community development are distributed to members of the community during this yearly recognition event.

The City continues to make its Fair Housing Guide available through direct distribution. It is currently available in English, Spanish, and Korean and can be downloaded from the City's website. The City also maintains a translator list for non-English speaking persons.

The Housing Development Division (HDD) has dedicated a web page to Fair Housing which provides information on the Fair Housing Act, how to file a housing discrimination complaint, and links to websites for HUD and CCRD. Furthermore, the City's Housing Development Division maintains and distributes fair housing information published by various agencies, including HUD, CCRD, and the Pikes Peak Association of Realtors (PPAR).

The City's Analyst I acts as the City's informal Fair Housing Officer. In this role, the Analyst I position is responsible for answering telephone calls, responding to emails, and providing referral services to individuals with landlord/tenant questions and other issues related to fair housing. This staff person is also available to assist individuals with completing CCRD forms for filing a housing discrimination complaint.





HDD continues to work closely with other City departments to address fair housing issues. For example, HDD works closely with the Planning Department to waive development review fees and with Colorado Springs Utilities to defer water and waste water development charges.



The formalization of this role and position should be publicized heavily to educate residents on the fair housing services available to them through the Housing Development Division of the City.

The City also has a fee waiver program in place that waives development fees and defers tap-in fees for affordable housing developments. The City is currently considering changing this program to provide some level of fee deferral and/or waivers of fees for developments that have a particular level of affordable housing, i.e. setting aside 10% of units in the development as affordable would defer 10% of tap-in fees, etc.).

C. Other Fair Housing Organizations

i. City of Colorado Springs Human Relations Commission (HRC)

The City's Human Relations Commission (HRC) was created by City Ordinance 12-20, which was passed into law on March 27, 2012. The HRC was established to provide a referral source to members of the community and to develop and promote outreach, programs, and forums relating to diversity issues, equal rights, and equal opportunity for people in employment, housing, public accommodations, education, and other services. The HRC is charged with assisting in the resolution of conflicts regarding human relations issues, including neighborhood disputes, through dialogue, facilitation, forums, and other means. HRC's objectives are as follows:

- To continue to promote an environment of fairness and respect among community members by ensuring inclusion and equity are supported in a meaningful and consistent manner,
- To develop ways to measure and monitor community relations,
- To encourage and engage members of the community to understand and appreciate the benefits of positive intergroup relations,
- To offer programs and services that help facilitate positive intergroup relations and community building, and
- To proactively serve community members by facilitating collaborations.

Based on the local enabling legislation, the HRC has no power to enforce or investigate fair housing complaints. The HRC is an avenue through which the City can promote better intergroup relations among its diverse population. In addition, the HRC is an outlet for education and outreach on various issues, including housing, employment, and public accommodations.





The City's HRC was created to provide a referral source to residents and to develop and promote outreach, programs, and forums relating to diversity issues, equal rights, and equal opportunity for people in employment, housing, public accommodations, education, and other services.

Although the HRC is without authority to enforce laws or investigate housing complaints, it can become a useful vehicle for fair housing education and outreach.

ii. Colorado Civil Rights Division (CCRD)

The Colorado Civil Rights Division (CCRD) is a division of the State's Department of Regulatory Agencies. The CCRD works to protect individuals from discrimination in employment, housing and public accommodation through enforcement and outreach consistent with Colorado Civil Rights Laws.

CCRD enforces the State's anti-discrimination laws and provides fair housing education and training to businesses and consumers. CCRD offers a free "Fair Housing 101" class several times per year. This training provides an introduction to fair housing law, with a special focus on disability discrimination including reasonable accommodations and modifications.

In addition to education, CCRD is charged with investigating claims of alleged discrimination. Discrimination is defined as differential treatment based upon a person's protected class status. Enforcement activities are conducted by CCRD's Compliance Investigators.

Once CCRD receives a fully completed intake packet, which is available in both English and Spanish, the Intake staff will draft a charge of discrimination signature by the complainant. After CCRD has received a fully executed charge of discrimination, a copy will be served promptly to the Respondent and the investigative process is initiated. As part of the investigation, the Respondent will be asked to provide a written response to the allegation(s). The complainant will be provided with a copy of the Respondent's position statement and will be afforded an opportunity to submit a rebuttal. CCRD affords the parties involved in a complaint the opportunity to participate in a voluntary mediation conference prior to the initiation of the investigation.

According to CCRD staff interviewed for the AI, CCRD processes about 120 complaints annually, with fewer than 5% estimated coming from EI Paso County. The majority of complaints involve disabilities and failure to make reasonable accommodations.

Complementing the agency's enforcement efforts are prevention activities conducted by the Compliance Unit. The Compliance Unit works to prevent discrimination by informing citizens about anti-discrimination laws and cooperating with public and private organizations with parallel missions in conducting educational programs designed to eliminate racial or intergroup tensions.

The Division provides various types of training and presentations throughout the state. Training may be provided upon request, or as a condition included in a settlement agreement. Training typically focuses on either fair housing laws and practices or fair employment laws and practices.





Due to budget cuts, CCRD's travel expenses have become limited. CCRD will provide training if requested and does offer regular fair housing trainings in Denver. Last fall, CCRD provided a fair housing training to the apartment association in Colorado Springs.

According to CCRD staff interviewed for the AI, the National Fair Housing Alliance will be opening an office in Colorado Springs in late 2012. This will provide an excellent opportunity for more training and outreach opportunities in the City.

iii. Colorado Legal Services (CLS)

Colorado Legal Services (CLS) is a resource for low income Coloradans seeking legal assistance and Colorado legal advocates. CLS is a non-profit organization that has assisted low income persons and seniors in Colorado for over 85 years. The mission of CLS is to provide meaningful access to high quality, civil legal services in the pursuit of justice for as many low-income persons and members of vulnerable populations throughout Colorado as possible. In regard to housing law, CLS can provide services related to foreclosures, evictions, landlord/tenant problems, and more. CLS has offices in 14 locations throughout the State, including Boulder, Denver, Colorado Springs, Pueblo, and Durango.

CLS's website offers extensive information on common fair housing topics and issues such as eviction, foreclosures, predatory lending, public housing, Section 8 vouchers, landlord/tenant relations, mobile homes, homelessness, health and code violations, and how to properly file a complaint. CLS's website contains information in both Spanish and English.

According to its 2010 Annual Report, CLS staff members, including volunteer staff, provided more than 117,368 hours of legal services to eligible clients during 2010. Of the 11,468 cases assisted by CLS in 2010 almost 20%, or 2,249 cases, were housing-related.





8. General Fair Housing Observations

The following fair housing observations were noted throughout previous sections of the AI. The observations are based on primary research collected and analyzed and the numerous interviews and focus group sessions conducted for this report.

The observations help to establish context for the impediments included in the following section. While none of these observations rose to the level of an impediment to fair housing choice in the City, the issues remain noteworthy in that they establish context for subsequent sections of the AI.

- Colorado Springs has more than tripled in population since 1970, growing from 135,060 to 416,427 residents.
 - This rate exceeded the County and State rates during the same period. Growth has slowed in the City during the last decade, but was still significant at a rate of 15.4%.
- Among all minority groups in the City, the multi-race and Hispanic populations experienced the largest growth between 2000 and 2010, increasing 122.2% and 71%, respectively, during this period.
 - Hispanics represent the largest minority group in the City, accounting for over 16% of the total population.
- There are 22 areas of concentration of minority persons in the City of Colorado Springs, the majority of which are located in the southern portion of the City.
 - Areas of concentration of minority persons include 12 census tracts of Black concentration, nine tracts of Hispanic concentration, three of AIAN concentration, and nine of Asian concentration. In addition, census tracts 28, 53, 54, 63.02, and 65.01 are areas of concentration of multiple minorities.
- There is evidence that Colorado Springs is becoming more integrated as its population increases and diversifies.
 - Despite a modest growth rate in the Black population over the past decade, the White/Black dissimilarity index decreased from 41.0 to 35.4. Persons of Other Races also became more integrated throughout the community, experiencing a decrease in the index from 51.4 to 40.2. Hispanics, the fastest growing population segment, decreased from 30.3 to 28.8. All other minority groups had comparable rates for 2000 and 2010.
- Black and Hispanic households in Colorado Springs are more likely to live in poverty than White households and other minority households.
 - In the City, Black households are almost twice as likely to live in the lowest income (18.3%) bracket as Whites (9.7%). Hispanics experience an even greater rate of poverty at 25.4%.
- Black and Hispanic households were more likely than Whites and Asians to have annual incomes of less than \$25,000.
 - Thirty-one percent of Black households and almost 33% of Hispanic households earned less than \$25,000 annually. By comparison, 20.1% of White households and 24.7% of Asian households fell into this lower income bracket.
- There are 18 impacted areas in Colorado Springs which include concentrations of both LMI persons and minorities.
 - In Colorado Springs, 18 of the 22 census tracts identified as concentrations of minority persons were also areas of concentration of LMI residents. These impacted areas are located in the south-central portion of the City, south of State Highway 24.
- Colorado Springs residents with disabilities were more likely to live in poverty than persons without disabilities in 2010.





In Colorado Springs, 20.6% of disabled individuals were living in poverty compared to the overall City rate of 11.8% of those living in poverty without a disability.

 More than a quarter of female-headed households with children live below the poverty level in Colorado Springs.

Over 80% of female-headed households live in poverty. Female-headed households comprise 14.2% of all families living in poverty yet represent only 7.5% of all families.

• Families with at least one foreign-born parent were more likely to live in poverty than families with only native born parents.

In 2010, 57.4% of families with at least one foreign-born parent were earning less than 200% of the poverty rate, compared to 34.5% of families with only native born parents.

• With the exception of Asian residents, minorities were more likely to be unemployed than White residents in Colorado Springs.

The unemployment rates among all minorities, except Asian residents, exceeded 10% in 2010 while the rate among White residents was 7.0%. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

- The housing inventory in Colorado Springs increased 42.7% between 1990 and 2010.

 A large portion of the City's housing inventory was built over the last two decades, as 53,749 housing units were added to the housing inventory in Colorado Springs between 1990 and 2010.
- El Paso County continues to experience one of the higher foreclosure rates when compared to other counties throughout Colorado, a state known for its generally high foreclosure rates.

According to Realtytrac.com, one in every 638 housing units in Colorado Springs was in foreclosure in February 2012, which was comparable to the State rate of one in every 605 housing units. There were 419 total foreclosure filings in El Paso County, of which more than three-quarters, 336 or 80.2%, were located in Colorado Springs.

• Between 2000 and 2010, median housing value in Colorado Springs increased 14.5% while real household income declined 11.3%.

During the same period, median gross rent decreased 5.4%. These trends indicate that housing costs associated with purchasing a home have become relatively more expensive. In contrast, it has become more affordable to rent in Colorado Springs.

• El Paso County renters earning the average hourly wage of \$12.54 must work 46 hours per week, 52 weeks per year to make the two-bedroom FMR affordable.

Thus, minimum wage earners and single-wage earning households cannot afford a housing unit renting for the HUD fair market rent in the County. This situation forces these individuals and households to double-up with others, or lease inexpensive, substandard units. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

- Individuals whose sole source of income is a \$698 monthly SSI check cannot afford to rent a zero-bedroom unit in El Paso County at the HUD fair market rent of \$534.
 - This situation disproportionately impacts persons with disabilities whose only source of income are their SSI checks.
- While the median sales price has fallen almost 13% since peaking in 2007, Black, AIAN, and Hispanic households cannot afford a home selling at the median sales price of \$179,900.

In reality, a household income of \$49,701 is required to purchase the median priced home. Black households and AIAN households with median incomes equivalent to approximately





81.4% and 80.6%, respectively, of the income needed to purchase a home, are impeded from homeownership. In addition, Hispanic households earn only 73% of the income needed to purchase a home at the median sales price of \$179,900.





9. Impediments to Fair Housing Choice

The following observations collected during the development of the AI constitute the impediments or barriers to fair housing choice listed in this section. These impediments are linked to remedial strategies in the Fair Housing Action Plan.

A. Public Sector

 Minority households in Colorado Springs, particularly Blacks and Hispanics, were less likely to be homeowners.

Almost 66% of White households in Colorado Springs were homeowners, compared to 40.7% of Black households, 43.9% of Hispanic households, and 42.4% of American Indian/ Alaska Native (AIAN) households. Asians had the second highest rate of 60.8%.

Proposed Action I: Strengthen partnerships with area lenders that will offer homebuyer education and incentives to purchase homes throughout the City.

Proposed Action II: Identify effective ways for the City, fair housing advocates, certified housing counselors, and financial lenders to increase home ownership among minorities, residents of LMI census tracts, and LMI residents. Such methods include:

- Increasing sustainable home ownership opportunities through financial literacy education including credit counseling and pre- and post-home purchase education.
- Increasing lending, credit, and banking services in LMI census tracts and minority census tracts.
- Increasing marketing and outreach efforts of affordable mortgage products that are targeted for residents of LMI census tracts, LMI residents, and minorities.

Proposed Action III: As a means to provide economic opportunities to low- and very-low income persons, the City should finalize, adopt, and implement its draft Section 3 Compliance Plan.

 The City's existing supply of both affordable and accessible housing is inadequate and does not meet current demand levels.

There is a relative shortage of larger rental units in Colorado Springs. Among the total housing stock in Colorado Springs, 10.5% was comprised of rental units with three or more bedrooms. By comparison, 52.2% of housing units were owner-occupied units with at least three bedrooms. An inadequate inventory of larger housing units can lead to overcrowding, increased wear and tear, and substandard living conditions for large families. This shortage will disproportionately impact minority families with larger households.

Colorado Springs lost 42% of the units renting for less than \$500 between 2000 and 2010. By comparison, the number of units renting for \$1,000 or more grew 124%.

Families with children and families with disabilities are disproportionately represented in public housing, among those on the waiting list as well as those currently housed in CSHA units. Over 2,500 families are on CSHA's public housing waiting list. These families are waiting to be selected for only 705 public housing units.

Another 3,521 applicants are on CSHA's Section 8 Housing Choice Voucher waiting list. At a turnover rate estimated at 15 per month, it will take more than 19 years to accommodate the entire waiting list of families. Families with children and families with disabilities are





disproportionately represented in Section 8 housing, among those on the waiting list as well as those currently utilizing vouchers.

There is a need for larger rental units consisting of three bedrooms or more, as demonstrated by current voucher holders and the Section 8 waiting list.

The rental housing market is very volatile as a result of the presence of thousands of military households. Large deployments/returns empty and fill rental units on an irregular basis for prolonged periods, causing steep fluctuations in vacancy rates. This situation makes it difficult for the Housing Authority to adequately house recipients of Section 8 Housing Choice Vouchers when the market is tight and rents exceed local FMRs.

In accordance with HUD's HOME program regulations found at 24 CFR 92.202, the City should prepare a written policy that encompasses the site selection requirements at 24 CFR 983.6. These requirements should be incorporated as part of the application review and approval process for all applicable HOME-assisted projects. All housing providers, builders, and developers should receive a copy of this policy as part of the HOME application package. HUD's site and neighborhood standards should also be incorporated into written agreements with developers, sub-recipients, and CHDOs. Such a policy will facilitate the City's goals toward affirmatively furthering fair housing by expanding housing choice outside of impacted areas.

Proposed Action I: HDD should continue to strike a balance in investing in both impacted and non-impacted areas. Specifically, the City should continue to balance its CDBG and HOME investments between the revitalization of impacted areas and the creation of new housing in non-impacted areas.

Proposed Action II: In accordance with HUD's HOME program regulations found at 24 CFR 92.202, the City should prepare a written policy that encompasses the requirements at 24 CFR 983.6.

Proposed Action III: The City should encourage the Colorado Springs Housing Authority (CSHA) to continue to implement its 2011 Section 504 Needs Assessment and Transition Plan in order to achieve compliance with accessibility regulations by 2015.

Proposed Action IV: HDD should require that all HOME-assisted units meet the Uniform Federal Accessibility Standards (UFAS).

 HDD's process for allocating and reporting CDBG and HOME funds could be improved from a fair housing perspective.

According to HDD staff, the City has long-implemented a common scattered site approach to affordable housing in Colorado Springs. The City, the Housing Authority, and several housing providers mentioned this policy during the AI stakeholder interview process. However, the City does not have a formal written policy in place to guide affordable housing investments.

The City requires CDBG- and HOME-assisted projects of five or more units to submit the HUD-approved AFHM Plan but does not currently have a formal affirmative marketing policy in place. Developing a stand-alone affirmative marketing policy that includes specific requirements for marketing, record-keeping, and non-compliance would ensure that developments comply with affirmative marketing regulations on an ongoing basis.

There is no line item in the City's CDBG Program budget for pure fair housing activities. In order to provide fair housing education and outreach services, the City should allocate 1% to 3% of its yearly CDBG entitlement grant to pure fair housing activities, such as education, outreach, training, and enforcement.





The City of Colorado Springs should formally designate the position of Housing Analyst as the Fair Housing Officer for the City. The formalization of this role and position should be publicized heavily to educate residents on the fair housing services available to them through the Housing Development Division of the City.

Proposed Action I: Initiate a Fair Housing Log to record activities undertaken throughout the year to affirmatively further fair housing. This action will achieve the City's regulatory obligation to maintain records reflecting the actions taken to eliminate housing discrimination and affirmatively further fair housing choice.

Proposed Action II: HDD should formalize a written policy that includes objective evaluation criteria for selecting affordable housing projects to be funded with CDBG and/or HOME funds.

Proposed Action III: HDD should develop a stand-alone affirmative marketing policy to ensure that CDBG- and HOME-assisted projects with five or more units comply with applicable affirmative marketing regulations.

Proposed Action IV: The City should allocate 1% to 3% of its yearly CDBG entitlement grant to pure fair housing activities, such as education, outreach, training, and enforcement.

Proposed Action V: HDD should formally designate the position of Housing Analyst as the Fair Housing Officer for the City.

• The majority of fair housing complaints filed with CCRD involved disability as the primary basis for alleged housing discrimination.

Disability was by far the most common alleged basis of discrimination across El Paso County, with almost 44% of CCRD complaints related to this issue. Both HUD complaints also involved disability as the alleged basis. Race and sex were also fairly common bases for complaint, but occurred far less often than disability-related allegations. Such a high number of complaints based on disability indicates a need for testing, particularly among rental units, and continued fair housing education among landlords to promote better understanding of the need to provide reasonable accommodations and allow reasonable modifications as established by federal and state fair housing acts.

Proposed Action I: HDD should partner with CCRD and the City's newly formed Human Relations Commission to offer annual fair housing training seminars to area landlords and property management companies.

Proposed Action II: HDD should seek additional training opportunities with the National Fair Housing Alliance once it relocates to Colorado Springs.

Proposed Action III: HDD should contract with a qualified fair housing organization to conduct real estate testing at least bi-annually. Test for race, disability, and familial status, particularly among minority households.

 Members of the protected classes could be more fully represented on local boards and commissions dealing with housing issues.

Colorado Springs is a diverse City that has experienced significant population growth in its non-White minority population. Hispanics account for 16.1% of the City's total population but only 7.1% of the boards and commission members. There are no Asian members on the boards and commissions surveyed, yet Asians account for 3.3% of the total population. Only 36% of appointees are female. Overall, the number of minorities on selected boards and commissions throughout the City could be more representative of the overall minority population in Colorado Springs.





There is a lack of minority persons, particularly Hispanics and Asians, on selected boards and commissions in the City. The experiences and perspectives of members of the protected classes would enhance decision-making processes in the City and offer the opportunity for greater advancement of fair housing choice in all aspects of government.

Proposed Action: Similar to the demographic survey completed in 2008, the City should conduct a survey of each of the appointed citizens who are currently members of public boards to identify members of the protected classes. The survey should identify the race, gender, ethnicity, disability status, and familial status of every board and commission member. Thereafter, each new appointment should be surveyed in a similar manner. Records on the membership of boards and commissions will assist local officials in making appointments that reflect the City's growing diversity.

 It is unclear whether the City adequately meets the language needs of persons with LEP, especially given its growing population in recent years.

Among all minority groups in the City, the multi-race and Hispanic populations experienced the largest growth between 2000 and 2010, increasing 122.2% and 71%, respectively, during this period. Hispanics represent the largest minority group in the City, accounting for over 16% of the total population.

In 2010, there were 17,874 people in Colorado Springs with limited English proficiency (LEP). Almost 66% of persons with LEP were native Spanish speakers, who represented 3.1% of the population age 5 and older.

The City of Colorado Springs does not currently have a Language Access Plan (LAP) to enhance services offered to persons with limited English proficiency (LEP). Since the number of native Spanish speakers with LEP exceeds 1,000, the City should conduct the four-factor analysis to determine the extent to which an LAP may be needed.

The City must determine the need for a Language Access Plan (LAP) to assist persons with limited English proficiency (LEP) in accessing its CDBG and HOME programs, and other City programs and services. If it is determined that the need for an LAP exists, the City must prepare the LAP to comply with Title VI of the Civil Rights Act of 1964.

Proposed Action: The City should conduct the four-factor analysis to determine the extent to which an LAP may be needed.

• The City zoning ordinance could be improved from a fair housing perspective.

The City zoning ordinance distinguishes between persons recovering from substance abuse and all other disabilities, and places additional regulatory requirements on human service shelters/drug or alcohol treatment facilities. People in recovery from substance abuse addiction are covered under the Fair Housing Act's definition of disability. Therefore, the City's regulations concerning human service shelters, specifically drug or alcohol treatment facilities, are not consistent with the Fair Housing Act and limit fair housing choice for persons with disabilities.

The distancing requirements placed on human service establishments by the City are inconsistent with the Fair Housing Act. Through the intention to avoid the concentration of group homes in any particular neighborhood, the City zoning ordinance narrows the locations where such facilities may be established, reducing housing choice for persons with disabilities.

Proposed Action I: The City should amend its zoning ordinance to remove restrictions on the location of human service shelters, specifically drug and alcohol treatment facilities, in order to comply with the Fair Housing Act. Such facilities should be regulated in the same manner as human service establishments for persons with physical, developmental, and mental disabilities.





Proposed Action II: The City should amend its zoning ordinance as it relates to the distancing requirements placed on human service establishments to specify what types of establishments the requirement does and does not apply to as well as to elaborate on the overall intent and purpose of the requirement.

• Transit-dependent households are in need of additional public transit services to provide better linkages to employment centers and amenities.

The lack of adequate public transportation is a major impediment in Colorado Springs. Deficiencies in public transit include the lack of a dedicated and steady source of funding revenue, limited service on weekends and beyond 7:00pm, as well as a lack of service to the northeast quad of the City, where several major employers are located. For some affordable housing providers, the lack of public transportation to job-rich areas of the City is a driving force in determining where affordable housing can be located.

Proposed Action I: To the extent possible, the City should continue to provide an annual contribution of \$3 million to Mountain Metropolitan Transit (Mountain Metro) in order to provide necessary public transit services to City residents.

Proposed Action II: Officials from the City, area housing developers, and Mountain Metro should work together to identify opportunities for the development of medium and high density affordable family housing along existing transit routes. The City and area developers should collaborate with Mountain Metro to adequately serve this area with public transit.

• There is a need for continued fair housing testing, education, training, and outreach, particularly among landlords.

Numerous interviewees reported serious issues with landlords, ranging from a lack of awareness of fair housing in general to discriminatory behavior involving members of the protected classes. These situations indicate a need for education, outreach, and enforcement in the rental housing market.

Proposed Action I: HDD should partner with CCRD and the City's newly formed Human Relations Commission to offer annual fair housing training seminars to area landlords and property management companies.

Proposed Action II: HDD should seek additional training opportunities with the National Fair Housing Alliance once it relocates to Colorado Springs.

B. Private Sector

 Mortgage loan denial and high cost lending disproportionately affect minority applicants.

Mortgage loan denial rates among racial and ethnic minority applicants were higher than for White applicants between 2008 and 2010. Denial rates among Black, Hispanic, and Asian households were 23.5%, 21%, and 17.4%, respectively, between 2008 and 2010, compared to 13.9% among White households.

A substantial portion of denied applications did not state a reason for denial, even though lenders are required to provide at least one primary reason for denial. Additionally, denied applications for Black and Hispanic households were less likely to include a reason for denial. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.





Over the course of the three years studied, upper-income minority households experienced higher denial rates than lower-income White households. Among upper-income Black, Other Race (primarily Native American), Asian, and Hispanic households, mortgage denial rates were 22%, 18.5%, 18.4%, and 15.7%, respectively, compared to a denial rate of 14.9% among lower-income Whites. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

Lower-income Black, Hispanic, and Other Race households were more likely to receive high-cost mortgage loans than lower-income White or Asian households. In addition, upper-income Black, Hispanic, and Other Race households are more likely to receive high-cost mortgage loans than upper-income White or Asian households. This trend places minority homeowners at greater risk for eviction, foreclosure, and bankruptcy. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

Between 2008 and 2010, overall high-cost lending rates dropped substantially, on the whole and across the majority of racial and ethnic groups. This is likely a direct result of increased statutory control over predatory lending practices, as well as increasing borrower awareness.

Proposed Action I: Investigate the feasibility of contracting for mortgage testing in the City. If possible, contract with an experienced firm to conduct such testing.

Proposed Action II: Encourage HUD-approved homebuyer counseling providers to continue this invaluable service for lower income and minority households.

 Several newspapers and real estate publications do not comply with federal fair housing requirements.

The classified sections of five newspapers and other real estate publications in Colorado Springs were reviewed as part of this analysis. The publisher's policies for two of the newspapers were not available in the print versions nor were these policies easily accessible online. In addition, several large real estate brokerage firms did not include the equal housing opportunity logo in their banner ads.

Fair housing education, particularly among real estate brokers, real estate sales persons, and advertising professionals, should be expanded to include publishers' responsibilities related to real estate advertising. Specifically, the publisher's fair housing policy and placement of fair housing logos by Realtors and brokers should be emphasized.

Proposed Action: HDD, in partnership with the City's newly formed Human Relations Commission, should write letters to newspapers to inform them of their fair housing obligations as they relate to advertising.





10. Fair Housing Action Plan

Based on the identified impediments to fair housing choice and the proposed actions included in Section 9, the following Fair Housing Action Plan has been developed. The format of this chart should more easily facilitate the completion of the City's Annual Plan and CAPER documents. Each year during the Annual Plan process, the City will identify the strategies it will undertake to affirmatively further fair housing. At the end of each program year, progress made toward achievement of the strategies will be reported in the City's CAPER.

Figure 10-1 Fair Housing Action Plan

Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed
Impediment #1: Minority	households in Colorado Springs, particularly	Blacks and Hispanics,	were less likely to be home	eowners.		
ncrease	A. Strengthen partnerships with area	A. HDD, other city	A.	A. Ongoing	A. \$0	A.
nomeownership	lenders that offer homebuyer	agencies, area				
opportunities among	education and incentives to purchase	housing providers				
minority and lower	homes throughout the City.	and developers				
ncome households						
	B. Identify effective ways for the City,	B. HDD, other City	B. Documentation of	B. Ongoing	B. \$0	В.
	fair housing advocates, certified	agencies, fair	education and			
	housing counselors, and financial	housing advocacy	outreach sessions			
	lenders to continue their work to	organizations,	conducted			
	increase home ownership among	area lenders, and				
	minorities, residents of LMI census	homeownership				
	tracts, and LMI residents. Potential	counseling				
	strategies include increased	agencies				
	education, marketing, and outreach					
	efforts.			C. 2012-2013	C. \$0	C.
		C. HDD	C. Documentation that			
	C. Finalize, adopt, and implement the		policy was approved			
	Draft Section 3 Compliance Plan.		and has been			
			implemented			





Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed
mpediment #2: The City	's existing supply of both affordable and acce	ssible housing is inade	quate and does not meet o	current demand l	evels.	
Increase the supply of decent, affordable housing and accessible housing	A. Continue to strike a balance in investing in both impacted and non-impacted areas.	A. HDD B. HDD	A. Percentage of units built in impacted vs. non-impacted areas	A. Ongoing	A. \$0	A.
throughout the City	B. Prepare a written policy that encompasses the requirements at 24 CFR 983.6.		B. Documentation that policy was adopted	B. 2012-2013	B. \$0	В.
	C. The City should encourage CSHA to continue to implement its 2011 Section 504 Needs Assessment and Transition Plan in order to achieve compliance with accessibility regulations by 2015.	C. CSHA	C. Documentation that conditions of transition plan were met; Number of accessible units created	C. Ongoing	C. \$0	C.
	D. Require that all HOME-assisted units meet the Uniform Federal Accessibility Standards (UFAS).	D. HDD	D. Number of accessible units created; Documentation that UFAS was met	D. Ongoing	D. \$0	D.
Impediment #3: The City	's process for allocating and reporting CDBG a	and HOME funds could	be improved from a fair h	ousing perspecti	ve.	
Improve processes for allocating and reporting investments of entitlement funds	A. Initiate a Fair Housing Log to record activities undertaken throughout the year to affirmatively further fair housing.	A. HDD	A. Copy of Fair Housing Log	A. Ongoing	A. \$0	A.
to ensure compliance with applicable laws and regulations	B. Formalize a written policy that includes objective evaluation criteria for selecting affordable housing projects to be funded with CDBG and/or HOME funds.	B. HDD	B. Documentation that policy has been implemented; copy of selection criteria	В. 2012-2013	B. \$0	В.
	C. Develop a stand-alone affirmative marketing policy ensure that CDBG-and HOME-assisted projects with five or more units comply with applicable regulations.	C. HDD	C. Copy of policy and copy of monitoring records for project	C. 2012-2013	C. \$0	c.
	D. Allocate 1% to 3% of the City's yearly CDBG entitlement grant for pure fair housing activities such as education, outreach, training, and enforcement.	D. HDD	D. Annual CDBG budgets; fair housing accomplishments from funding	D. Ongoing, Annually	D. Approx. \$20,000-\$70,000 annually	D.
	E. Formally designate the position of Housing Analyst as the Fair Housing	E. City Council, HDD, Mayor	E. Documentation that designation was made and approved by City		E. \$0	E.





Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed	
Impediment #4: The majo	Impediment #4: The majority of fair housing complaints filed with CCRD involved disability as the primary basis for alleging housing discrimination.						
Support fair housing education, outreach, testing, and training to reduce housing discrimination	A. Partner with CCRD and the newly formed HRC to offer annual fair housing training seminars to area landlords and property management companies.	A. HDD, CCRD, HRC	A. Documentation that trainings were held; Copies of sign-in sheets	A. Ongoing	A. \$0	A.	
uisuiiiiiauoii	B. Seek additional training opportunities with the National Fair Housing Alliance once it relocates to Colorado Springs. C. Contract with a qualified fair housing organization to conduct real estate testing at least bi-annually.	C. HDD	B. Documentation that outreach to NFHA was conducted; Copies of sign-in sheets from trainings held C. Copies of contracts and testing results	B. Ongoing C. Ongoing, Biannually	B. \$0 C. \$5,000-\$10,000 of Fair Housing activities	В.	
Impediment #5: Members	of the protected classes could be more fully	represented on State	boards and commissions d	lealing with hous	ing issues.		
Ensure that members of the protected classes are represented on appointed boards and commissions dealing with housing issues	The City should ensure that its outreach efforts in making appointments to boards and commissions includes a directed effort to solicit applications from members of classes protected by the federal and state Fair Housing Acts.	Various City departments and agencies	Documentation that efforts were made to recruit members of the protected classes on serve on selected boards and commissions	Annually	\$0		
Impediment #6: It is uncle in recent years.	ear whether the City adequately meets the la	inguage needs of perso	ons with limited English pro	oficiency, especia	ally given its growin	ng population	
Improve access to programs and services for persons with LEP	Conduct the four-factor analysis to determine the extent to which an LAP may be needed.	HDD	Documentation that four-factor analysis was completed; Services provided to persons with LEP	2012-2013	\$0		
Impediment #7: The City	Impediment #7: The City zoning ordinance could be improved from a fair housing perspective.						
Ensure that the City zoning ordinance is in compliance with the Fair Housing Act	A. Amend the zoning ordinance to remove restrictions on the location of human service shelters, specifically drug and alcohol treatment facilities.	A. City Planning Dept. and Planning Commission	A. Documentation that ordinance was amended	A. 2012-2013	A. \$0	A.	
	B. The City should amend its zoning ordinance as it relates to the distancing requirements placed on human service establishments to specify what types of establishments the requirement does and does not apply to as well as to elaborate on the overall intent and purpose of the requirement.	B. City Planning Dept. and Planning Commission	B. Documentation that ordinance was amended	B. 2012-2013	B. \$0	В.	





Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed	
Impediment #8: Transit-d	Impediment #8: Transit-dependent households are in need of additional public transit services to provide better linkages to employment centers and amenities.						
Increase access to public transit options for minority and LMI households	A. The City should continue to provide an annual contribution of \$3 million to Mountain Metro. B. Identify opportunities for the development of medium and high density affordable family housing along existing transit routes. Collaborate with Mountain Metro to adequately serve these areas with public transit.		A. Copy of annual budgets showing allocation to Mountain Metro B. Documentation from meetings held to discuss transit service; Map highlighting targeted areas for transit expansion		A. \$3 million annually B. \$0	A.	
Impediment #9: There is	I a need for continued fair housing testing, edu	cation, training, and o	utreach, particularly amon	g landlords.			
Support fair housing education, outreach, testing, and training programs throughout the City	A. Partner with CCRD and the City's newly formed HRC to offer annual fair housing training seminars to area landlords and property management companies. B. Seek additional training opportunities with the National Fair Housing Alliance once it relocates to Colorado Springs.	A. HDD, CCRD, and HRC B. HDD, NFHA	A. Attendance sheets and agendas from training sessions held B. Attendance sheets and agendas from training sessions held	A. Ongoing, Annually B. Ongoing	A. \$0 B. \$0	В.	
Impediment #10: Mortga	I ge loan denial and high cost lending dispropo	rtionately affect mino	rity applicants.		1		
Increase and enhance fair housing outreach and education efforts throughout the City	A. Investigate the feasibility of contracting for mortgage testing in the City. If possible, contract with an experienced firm to conduct such testing. B. Encourage HUD-approved homebuyer counseling providers to continue this invaluable service for lower income and minority households.	A. HDD, HRC B. HDD, HRC	A. Testing results, if applicable B. Documentation of support for homebuyer counseling sessions	A. Ongoing B. Ongoing	A. \$ B. \$0	A.	
Impediment #11: Several Educate area newspapers and real	newspapers and real estate publications do a Write letters to newspapers to inform them of their fair housing obligations	not comply with feder	al fair housing requirement Copies of letters sent to publishers	zs.	\$0		
estate publications of the advertising requirements of the Fair Housing Act	as they relate to fair housing.						





11. Signature Page for the City of Colorado Springs

By my signature I certify that the Analysis of Impediments to Fair Housing Choice for the City of Colorado Springs is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program.

Steve Bach, Mayor		
Date		





12. Appendix A: List of Stakeholders

Figure 12-1 Stakeholder Chart

Contact Name	Title	Name of Organization
Ken Lewis	Manager	City of Colorado Springs Code Enforcement
Dick Anderwald	Director	City of Colorado Springs Planning Development
Mike Chaves	Senior Engineer	City of Colorado Springs Engineering
Craig Blewitt	Manager	City of Colorado Springs Transit
Robert MacDonald	Executive Director	Pikes Peak Area Council of Governments
Pat Coyle	Director	Colorado Division of Housing
Chad Wright	Assistant Executive Director	Housing Authority of Colorado Springs
Lee Patke	Executive Director	Greccio Housing Unlimited, Inc.
Bob Holmes	Executive Director	Homeward Pikes Peak
Sheldon King	Executive Director	Ithaka Land Trust
Tom Maltais	Executive Director	Mosaic
Mary Stegner	Executive Director	Partners In Housing, Inc.
Paul Johnson	Executive Director	Pikes Peak Habitat for Humanity
Bob Koenig	Executive Director	Rocky Mountain Community Land Trust
Marla Novak	Director	Housing and Building Association of Colorado Springs
Paul Sexton	COF	Aspen Pointe
Patricia Yeager	CEO	Colorado Springs Independence Center
Edward Cook	President	Korean Association of Colorado Springs
Stev e Chav ez	Director	Colorado Civil Rights Division
Liz Lancaster	Vice President	Council of Neighbors and Organizations (CONO)
Caroly n McDole	Executive Director	Ecumenical Social Ministries (ESM)
John Parvensky	President	Housing Advocacy Coalition
James Faber	CEO	Pikes Peak Community Action Agency
Jim Mertz		Salv ation Army
Shannon Rogers	Executive Director	Senior Resource Council
Ralph Moreman		Silver Key Senior Services
David Ervin	Executive Director	The Resource Ex change
Chris Telk	Executive Director	Urban Peak of Colorado Springs
Beth Roalstad	Executive Director	Women's Resource Agency
Bill Windsor	Director of Housing	Colorado Coalition for the Homeless (fair housing office)
Willie Smith	President	NAACP
		Pikes Peak Association of Realtors
Stev e Cox	Chief of Economic Vitality and Innovation	City of Colorado Springs Ecomonic Vitality
DeAnne McCann	Economic Dev Manager	El Paso County Office of Economic Development
Charlie Whelan	CEO	Workforce Center
Tammy Fields	VP Business	The Greater Colorado Springs Economic Development Corporation
	20011000	5.54.6 Goldidae Springe Escribilité Dev diophilent Colporation





13. Appendix B: Summary of Zoning Ordinance Review

Figure 13-1
City of Colorado Springs Zoning Ordinance Review

	Ovininally adapted in 1000 Last major you with in 0001. Carythhad		
Date of ordinance	Originally adopted in 1926; Last major rewrite in 2001; Scrubbed regularly; Mixed Use added in 2004	Comments	
Residential districts and dwelling unit types permitted by right	R Estate SF: large lots, low density detached SF homes; 20,000 sq. ft. R-1 9000: medium lots, detached SF homes; 9,000 sq. ft. R-1 6000: smaller lots, detached SF homes; 6,000 sq. ft. R-2 Tw o-Family: small or medium lots, detached one-family or attached tw o-family homes; 5,000-7,000 sq. ft. R-4 MF: medium density, attached multi-family; 8 DU per acre R-5 MF: high density, attached multi-family; 800-2,500 sq. ft. depending on # of stories	Wide variety of districts, all affordable housing types permitted by right in certain areas.	
Smallest minimum residential lot size permitted	Vary by structure type in SF zones: 5,000 sq. ft. to 20,000 sq. ft.; Vary by structure type in MF zones: 6,000 sq. ft. to 7,000 sq. ft. for duplex; 800 sq. ft. to 2,500 sq. ft. for multi-family unit depending on # of stories in building. Max height 30 ft. for SF and low er-density MF areas, up to 40-45 feet in high-density MF	Allows ample opportunity for affordable housing development.	
Alternative design	The City does not provide density bonus incentives for affordable housing development nor does it have any inclusionary zoning policies. The City does have Planned Unit Development (PUD) provisions. The City also has a Traditional Neighborhood Development (TND) district. The TND zone is intended to promote the development of a neighborhood with a sense of place.	Local policies will advance the expansion of housing opportunities for members of the protected classes.	
Definition of family	An individual, two (2) or more persons related by blood, marriage, adoption, or similar legal relationship, or a group of not more than five (5) persons who need not be so related, plus domestic staff employed for services on the premises, living together as a single housekeeping unit in one dwelling unit	Inclusive, will allow non- traditional households to live together for economic reasons.	
Treatment of group homes	Human Service Establishment - A residential establishment providing 24-hour lodging, care, or treatment to six (6) or more persons who may be unrelated to each other, not including domestic, supervisory, or medical staff providing services on the premises. There are six types of human service establishments. Human service establishments not requiring a human service establishment permit from the City and human service homes are regulated as a single-family home and are permitted in all residential zones. Human service residences must have development plan approval prior to operating in single-family residential zones. Human service facilities require conditional use approval in all residential districts. Human service shelters, including drug and alcohol treatment facilities, generally require conditional use approval prior to operating in residential zones. No human service establishment shall be located w ithin 1,000 feet of another human service establishment. The intent of this distancing requirement is to not oversaturate neighborhoods w ith these uses.	The provisions set forth for human service establishments, human service homes, and human service facilities are in compliance with the Fair Housing Act. The provisions set forth for human service shelters are in violation of the Fair Housing Act, under the Act a disability includes drug addiction and alcoholism. In general, distancing requirements for group homes are inconsistent with the Fair Housing Act. In respect to Colorado Springs, the requirement is reasonable since it is the City's intent to prevent group homes from over-saturating a particular neighborhood through this requirement.	